



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ZEN CARGO MOVERS PRIVATE LIMITED

Report on Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **ZEN CARGO MOVERS PRIVATE LIMITED** (the 'Company'), which comprise the balance sheet as at 31st March 2021, the statement of Profit and Loss including Other Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information here in after referred to as "the financial statements".

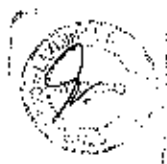
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards specified under Section 133 of the Act, of the state of affairs of the Company as at 31st March 2021, its loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under the section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules issued there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the company for the year ended 31st March, 2020 were audited by another auditor who expressed unmodified opinion on those statements on 1st June 2020.



Laxminiwas & Co.
Head Office: 6-3-569, 4th Floor, Above BMW Showroom,
Opp. RTA Office Khairatabad, Hyderabad 500082, Telangana, India.
BANGALORE | MYSORE | VIZAG | CHENNAI | MUMBAI | DELHI | DUBLIN

Other Information:

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Director's Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("TND AS") specified under section 133 of the Act.

The responsibility also includes maintenance of the adequate accounting records for safeguarding assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the company is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the company are responsible for overseeing the financial reporting process of the company.

Auditor's Responsibility for Audit of Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, then to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting standards specified under Section 133 of the Act, read with relevant rules issued there under.
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) There are no pending litigations on or by the company, the impact of which needs to be disclosed in financial statement.
 - ii) The Company does not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses; and
 - iii) There was no amount required to be transferred to the Investor Education and Protection Fund during the year ended 31st March 2021.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

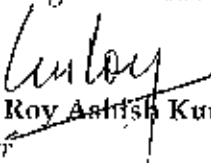


3. With respect to the adequacy of the Internal Financial Controls over financial reporting of company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

For Laxminiwas & Co.

Chartered Accountants

Firm's Registration Number: 011168S


Guha Roy Ashish Kumar
Partner

Membership Number: 018659

UDIN: 21018659AAAABB4756



Hyderabad

Date: 4th August 2021


Annexure A to the Auditors' Report

(Referred to in paragraph 2 under 'Report on other legal and regulatory requirements' section of our report to the Members of Zen Cargo Movers Private Limited of even date)

- (i). According to the information and explanations given to us, the company does not have any fixed assets as on 31st March 2021. Accordingly, Para 3(i) (a) and (b) of the order are not applicable.
- (ii). The company has no inventory; accordingly, the provisions of clause 3(ii) of the Order, 2016 are not applicable.
- (iii). According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, para 3(iii) (a), (b) and (c) of the order are not applicable.
- (iv). In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- (v). In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- (vi). The maintenance of cost records as prescribed by the central government under Section 148(1) of the Companies Act, 2013 is not applicable, for the services rendered by the company and accordingly clause VI of para 3 of the order is not applicable to the company.
- (vii). a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Income tax, Sales tax, Service tax, Goods and Service Tax and any other statutory dues applicable to it as on 31 March 2021. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, service tax, Goods and Service Tax and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable, except for the following:

Nature of Dues	Amount in Rs
Goods & Service Tax and TDS clearing charges	Rs 42,728

b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Service tax, and Goods and Service Tax which have not been deposited with the appropriate authorities on account of any dispute as at 31st March 2021.



- (viii). The Company has not taken any loans or borrowings from financial institutions, banks and governments or has not issued any debentures. Hence reporting under clause 3(viii) of the Order is not applicable to the Company.
- (ix). In our opinion and according to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public issue (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the order is not applicable.
- (x). According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi). The provision of section 197 of the Companies Act, 2013 are not applicable to the company. Accordingly, Para 3(xi) of the order is not applicable.
- (xii). In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii). According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv). According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv). According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi). The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

For Laxminiwas & Co.

Chartered Accountants

Firm's Registration Number: 011168S


Guha Roy Ashish Kumar

Partner

Membership Number: 018659

UDIN: 21018659AAAABB4756

Hyderabad

Date: 4th August 2021.



Annexure - B to the Auditors' Report

Referred to in paragraph 3 under "Report on other Legal and Regulatory Requirements section of our report to the members of Zen Cargo Movers Private Limited of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Zen Cargo Movers Private Limited** ("the Company") as of 31st March 2021 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of directors of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and issued by Institute of Chartered accountants of India and the standards on auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

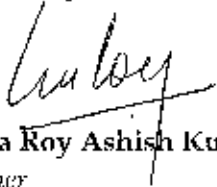
Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Laxminiwas & Co.

Chartered Accountants

Firm's Registration Number: 011168S



Guha Roy Ashish Kumar

Partner

Membership Number: 018659

UDIN: 21018659AAAABB4756



Hyderabad

Date: 4th August 2021

ZEN CARGO MOVERS PRIVATE LIMITED
CIN:U64120DL2007PTC160560

Audited Balance Sheet as at March 31, 2021

Particulars	Notes	Amount in ₹	
		As at March 31, 2021	As at March 31, 2020
A ASSETS			
1 NON CURRENT ASSETS			
(a) Other Intangible Assets	2	5,02,349	6,69,797
(b) Deferred Tax Assets	3	11,36,711	11,80,161
(c) Non current Tax assets	4	23,513	1,44,043
Total Non current Assets		16,62,573	19,94,001
2 CURRENT ASSETS			
(a) Financial Assets			
(i) Trade Receivables	5	23,741	15,08,157
(ii) Cash and Cash Equivalents	6	2,50,934	2,83,693
(iii) Bank Balances other than (ii) above	6A	6,50,000	6,50,000
(iv) Other financial assets	7	5,44,008	5,09,174
Total Current Assets		14,68,683	29,51,024
TOTAL ASSETS		31,31,256	49,45,025
B EQUITY AND LIABILITIES			
1 EQUITY			
(a) Share Capital	8	36,21,630	36,21,630
(b) Other Equity	9	(72,38,214)	(70,48,270)
Total equity		(36,16,584)	(34,26,640)
2 LIABILITIES			
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Trade Payables	10	44,96,878	60,37,310
(ii) Other financial Liability	11	25,000	64,800
(b) Other current liabilities	12	22,25,962	22,69,555
Total current liabilities		67,47,840	83,71,665
TOTAL EQUITY AND LIABILITIES		31,31,256	49,45,025

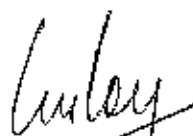
Summary of Significant Accounting Policies 1

The accompanying notes are an integral part of the Financial Statements


As per our report of even date


For and on behalf of the Board of Directors

For Luxminiwas & Co.
Chartered Accountants
Firm Registration No : 0111688


Gularay Ashish Kumar
Partner
Membership No. 018659
Camp: Hyderabad
Date: 12/03/2021




Sreenivasa Mohendra Pippalla
Director
DIN: 08956946


G S Ravi Kumar
Director
DIN: 01087133



Audited Statement of Profit and Loss for the year ended March 31, 2021

Amount in ₹

Particulars	Notes	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
I) INCOME:			
Revenue from Operations	14	5,60,255	61,83,382
Other Income	15	35,915	75,840
Total Income (I)		5,96,170	62,59,222
II) EXPENDITURE:			
Operating expenses	16	4,99,948	52,19,644
Employee Benefit Expenses	17	-	7,98,337
Depreciation and Amortization	18	1,67,448	1,67,448
Other Expenses	19	65,748	1,73,342
Total Expenses (II)		7,33,144	63,88,770
III) Profit before Taxation (I-II)		(1,36,974)	(1,29,548)
IV) Tax Expenses	20		
Current Tax		9,540	-
Deferred Tax		43,430	61,871
Total Tax Expenses (IV)		52,970	61,871
V) Profit for the year (III-IV)		(1,89,944)	(1,91,419)
VI) Other Comprehensive Income (OCI)			
A. (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B. (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Other Comprehensive Income for the year (net of tax)		-	-
VII) Total Comprehensive Income for the year (V-VI)		(1,89,944)	(1,91,419)
Earnings per share - Basic and Diluted (nominal value per share ₹ 10/-)		(0.52)	(0.53)

Summary of Significant Accounting Policies:

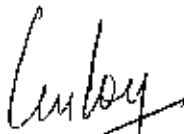
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The accompanying notes are an integral part of the Financial Statements

As per our report of even date


For and on behalf of the Board of Directors

For Laxminivas & Co.
Chartered Accountants
Firm Registration No : 011168S


Goharoy Ashish Kumar
Partner
Membership No. 018659
Camp: Hyderabad
Date: Aug, 2021




Sreenivasa Mohendra Pippalla
Director
DIN: 08956946


G S Ravi Kumar
Director
DIN: 01087133



Audited Cash flow Statement for the Year ended March 31, 2021

Amount in ₹

PARTICULARS	As at March 31, 2021	As at March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation Adjustments	(1,36,974)	(1,29,548)
Interest Income	(27,464)	(65,084)
Liability no Longer required - written off	-	(10,756)
Depreciation and Amortization Expense	1,67,448	1,67,448
Operating profit before adjustment for working capital changes	3,010	(37,940)
Adjustment for changes in working capital and other provisions:		
(Increase) / Decrease in Trade Receivables	(62,668)	(11,04,498)
(Increase) / Decrease in Other financial assets	(7,370)	1,72,717
Increase / (Decrease) in Trade Payables	6,652	(2,541)
Increase / (Decrease) in Other Current financial Liability	(39,800)	(326)
Increase / (Decrease) in Other Non current asset	1,20,550	-
Increase / (Decrease) in Other current liabilities	(43,592)	8,23,379
Cash Generated From Operations	(23,218)	(1,49,009)
Direct taxes paid	(9,540)	1,36,761
Net Cash Flow From Operating Activities (A)	(32,758)	(12,248)
B. CASH FLOW FROM INVESTING ACTIVITIES	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES	-	-
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(32,758)	(12,248)
Opening balance of cash and cash equivalents	2,83,693	2,95,940
Closing balance of cash and cash equivalents	2,50,934	2,83,693

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For and on behalf of the Board of Directors

For Laxminivas & Co.
Chartered Accountants
Firm Registration No : 011168S

Guharoy Ashish Kumar
Partner
Membership No. 018659
Camp: Hyderabad
Date: 4. May, 2021



Sreenivasa Mohendra Pippalla
Director
DIN: 08956946

G S Ravi Kumar
Director
DIN: 01087133

ZEN CARGO MOVERS PRIVATE LIMITED

CIN:U64120DL2007PTC160560

Audited Statement of Changes in Equity for the period ended March 31, 2021

A) Equity Share Capital

Amount in ₹

Balance as at 1st April, 2019	36,21,630
Add/(Less): Changes in Equity Share Capital during the year	-
Balance at March 31, 2020	36,21,630
Add/(Less): Changes in Equity Share Capital during the period	-
Balance at March 31, 2021	36,21,630

B) Other Equity

Amount in ₹

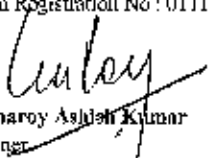
Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance at April 1, 2019	(68,56,851)	(68,56,851)
Profit/(loss) for the year	(1,91,419)	(1,91,419)
Balance at March 31, 2020	(70,48,270)	(70,48,270)
Profit/(loss) for the year	(1,89,944)	(1,89,944)
Balance at March 31, 2021	(72,38,214)	(72,38,214)

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

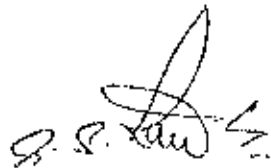
For and on behalf of the Board of Directors

For Laxminivas & Co.
Chartered Accountants
Firm Registration No: 0111685


Gubharoy Asjadh Kumar
Partner
Membership No. 078659
Camp, Hyderabad
Date: 4 Aug, 2021




Sreenivasa Mohendra Pippalla
Director
DIN: 08956946


G S Ravi Kumar
Director
DIN: 01087153



ZEN CARGO MOVERS PRIVATE LIMITED

SIGNIFICANT ACCOUNTING POLICIES

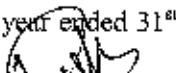
1) Corporate and general information:

ZEN CARGO MOVERS PRIVATE LIMITED ("the Company") is a private company incorporated in 2007 having its registered office at AG- 50, Sanjay Gandhi Transport Nagar G.T. Karnal Road, New Delhi, India. The company is a 100% subsidiary of Gati Limited a listed entity. The Company is formed to carry on the business of International and domestic Freight & Forwarding Agents.

2) Basis of Accounting

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (the Act), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements of the Company for the year ended 31st March, 2021 have been approved by the Board of Directors in their meeting held on 4th Aug, 2021. 

2.2 Basis of Measurement

The financial statements have been prepared on a going concern basis using historical cost convention, except

- Financial Instruments- Measured at Fair value/ Amortised cost;

ZEN CARGO MOVERS PRIVATE LIMITED

Notes to Accounting Policy

2.3 Functional and Presentation Currency

All financial information presented in Indian rupees (INR) which is the Company's functional currency.

2.4 Use of Estimates and Judgements

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures, and the disclosures of contingent liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumption in these financial statements have been disclosed below. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates and judgments are as:

- (i) Recognition and measurement of provisions and contingencies
- (ii) Fair value measurement of Financial instruments



2.5 Current Vs Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve Months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

3) Significant Accounting Policies:

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

3.1 Property, plant and equipment

3.1.1 Recognition and Measurement:

- Property, plant and equipment (PPE) held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and cumulative impairment losses (if any).
- Cost comprises of cost of acquisition or construction inclusive of duties (net of tax/ cenvat /duties credits availed), incidental expenses, interest and erection/commissioning expenses incurred up to the date asset is put to use. Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of PPE or bringing the PPE to working condition are allocated and capitalized as a part of cost of PPE. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

3.1.3 Subsequent Expenditure:

- Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.



- Items such as spare parts, stand by equipment's and servicing equipment's that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.
- Cost in nature of repair and maintenance expenses are charged to the statement of profit or loss during the reporting period in which they are incurred.

3.1.4 Depreciation and Amortization:

- Freehold land is not depreciated.
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate.

3.1.5 Disposal of Assets:

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

4.1. Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument in another entity.

(i) Financial assets:

a) Initial recognition and measurement:

On initial recognition, a financial asset is classified and measured at:

- Amortised Cost; or
- Fair value through Other Comprehensive Income (FVOCI); or
- Fair value through Profit or loss (FVTPL)

▪ Financial assets at amortized cost:

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- (a) The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The effective interest rate (EIR) amortization is included in finance income in the Statement of Profit and Loss. This category generally applies to long-term deposits and long-term trade receivables.

▪ Financial assets at fair value through other comprehensive income (FVOCI):

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI-equity investment). This election is made on an investment-by-investment basis.

Financial assets are measured at the FVOCI if both of the following conditions are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI.



Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

▪ **Financial assets at fair value through profit or loss (FVTPL):**

All financial assets which are not classified/ measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

b) **Subsequent measurement**

For purposes of subsequent measurement:

Category	Subsequent measurement and gains and Losses
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in Statement of Profit and Loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method (EIR). The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in Statement of Profit and Loss. Any gain or loss on derecognition is recognized in Statement of Profit and Loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to Statement of Profit and Loss.

(ii) **Financial Liability:**

Financial liabilities are classified and measured at amortized cost or FVTPL

a) **Initial Recognition & Subsequent measurement:**

▪ **Financial liabilities through fair value through profit or loss (FVTPL):**

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in Statement of Profit and Loss.

▪ **Financial liabilities at amortized cost:**

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Statement of Profit and Loss.

Interest bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.



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iii) **Derecognition:**

a) **Financial Assets:**

The Company derecognizes a financial asset only

- when the contractual rights to the cash flows from the asset expire, or
- It transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

b) **Financial liabilities:**

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in Statement of Profit and Loss.

4.2. Fair Value measurement:

A number of the Company's accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities. The Company has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. The Company measures financial assets and financial liability at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

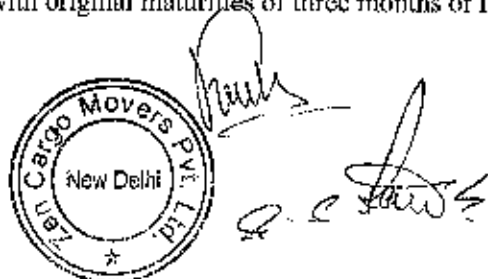
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2- inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3- inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

4.3. Cash and cash equivalents:

In the cash flow statement, cash and cash equivalents include cash in hand, cheques in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.



4.4. Provisions and Contingencies:

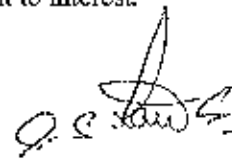
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Such liabilities are disclosed by way of notes to the financial statements. No disclosure is made if the possibility of an outflow on this account is remote.

4.5. Borrowing cost:

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Where there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.



ZEN CARGO MOVERS PRIVATE LIMITED

CIN:U64120DL2017PTC160560

Audited Notes on Standalone Financial Statements for the year ended March 31, 2021

2 Other intangible Assets

Particulars	Cost			Amortisation		Net Carrying Value As at 31.03.21
	As at 1.04.20	Additions	Sale/Disposal	As at 31.03.21	For the year	
Licences	28,46,630	-	-	28,46,630	1,67,448	23,44,281
Total	28,46,630	-	-	28,46,630	1,67,448	23,44,281

(Amount in ₹)

Particulars	Cost			Amortisation		Net Carrying Value As at 31.03.20
	As at 1.04.19	Additions	Sale/Disposal	As at 31.03.20	For the year	
Licences	28,46,630	-	-	28,46,630	1,67,448	21,76,833
Total	28,46,630	-	-	28,46,630	1,67,448	21,76,833

(Amount in ₹)

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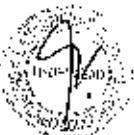
Audited Notes on Standalone Financial Statements for the year ended March 31, 2021

		Amount in ₹			
		As at March 31, 2021	As at March 31, 2020		
3	Deferred Tax Assets (Net)				
	VAT Credit entitlement	10,31,142	10,43,296		
	Deferred Tax Asset	1,03,569	1,36,765		
		<u>11,36,711</u>	<u>11,80,061</u>		
		Amount in ₹			
4	Non current Tax assets	As at March 31, 2021	As at March 31, 2020		
	Tax Deducted at Source	23,513	4,47,672		
	Less Provision for Income tax	-	(3,05,229)		
		<u>23,513</u>	<u>1,44,043</u>		
		Amount in ₹			
5	Trade Receivables	As at March 31, 2021	As at March 31, 2020		
	Unsecured and considered good				
	Trade Receivables	23,741	15,08,157		
	Total	23,741	15,08,157		
	Less: Provision for Doubtful Receivables	0	-		
	Total Trade Receivables	<u>23,741</u>	<u>15,08,157</u>		
		Amount in ₹			
6	Cash and Cash Equivalents	As at March 31, 2021	As at March 31, 2020		
	Cash on hand	-	91,983		
	Balance with Banks:				
	- In Current Accounts	2,50,934	1,91,710		
		<u>2,50,934</u>	<u>2,83,693</u>		
		Amount in ₹			
6A	Bank Balances other than (ii) above	As at March 31, 2021	As at March 31, 2020		
	Balances with Bank held as margin money/ security	6,50,000	6,50,000		
		<u>6,50,000</u>	<u>6,50,000</u>		
		Amount in ₹			
7	Other financial assets	As at March 31, 2021	As at March 31, 2020		
	Unsecured and considered good				
	Security Deposits	2,97,192	2,89,822		
	Interest Receivables	2,46,816	2,19,352		
		<u>5,44,008</u>	<u>5,09,174</u>		
		Amount in ₹			
8	Equity Share Capital	As at March 31, 2021		As at March 31, 2020	
		No. of Shares	Amount	No. of Shares	Amount
	Authorized:				
	Equity Shares of ₹ 10/- each	5,00,000	50,00,000	5,00,000	50,00,000
	Issued:				
	Equity Shares of ₹ 10/- each fully paid up	3,62,163	36,21,630	3,62,163	36,21,630
	Subscribed and Paid-up:				
	Equity Shares of ₹ 10/- each fully paid up	3,62,163	36,21,630	3,62,163	36,21,630
		<u>3,62,163</u>	<u>36,21,630</u>	<u>3,62,163</u>	<u>36,21,630</u>



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a) There has been no change/increments in number of shares outstanding at the beginning and at the end of the reporting period.

b) Terms/Rights attached to Shareholders

The Company has only one class of issued shares i.e. Equity Shares having par value of Rs. 10 per share. Each holder of Equity Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

c) Gati Limited is the Holding Company of this Company.

d) Details of shareholders holding more than 5% shares in the Company:

Equity Shares of Rs. 10 each fully paid	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% Holding	No. of Shares	% Holding
Gati Limited, the holding company and its nominees	3,62,163	100%	3,62,163	100%

e) No Equity Shares have been reserved for issue under options and contracts/commitments for the sale of shares/divestment as at the Balance Sheet date.

f) The company has neither allotted any equity shares for consideration other than cash nor has issued any bonus shares nor has bought back any shares during the period of five years preceding the date at which Balance Sheet is prepared.

g) No calls are unpaid by any directors or officers of the company during the year.

9 Other Equity	Amount in ₹	
	As at March 31, 2021	As at March 31, 2020
Surplus in the Statement of Profit and Loss		
As per last financial statement	(70,48,270)	(68,56,851)
Add: Profit for the period	(1,89,944)	(1,91,419)
Retained Earnings	<u>(72,38,214)</u>	<u>(70,48,270)</u>

10 Trade Payables	Amount in ₹	
	As at March 31, 2021	As at March 31, 2020
For Goods and Services		
Total outstanding dues of micro enterprises and small enterprises		
Total outstanding dues of creditors other than above	41,96,878	60,37,310
	<u>44,96,878</u>	<u>60,37,310</u>

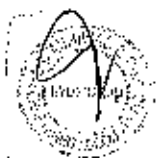
11 Other Current Financial Liabilities	Amount in ₹	
	As at March 31, 2021	As at March 31, 2020
Audit fee payable	25,000	64,800
	<u>25,000</u>	<u>64,800</u>

12 Other Current Liabilities	Amount in ₹	
	As at March 31, 2021	As at March 31, 2020
Statutory dues	42,728	86,321
Payable to holding company	21,83,234	21,83,234
	<u>22,25,962</u>	<u>22,69,555</u>

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ZEN CARGO MOVERS PRIVATE LIMITED
CIN:U64120DL2007PTC160560

Audited Notes on Standalone Financial Statements for the year ended March 31, 2021

		Amount in ₹	
		For the year ended March 31, 2021	For the year ended March 31, 2020
14	Revenue From Operations		
	Sale of Services (Agency Fees)	5,60,255	61,83,382
		<u>5,60,255</u>	<u>61,83,382</u>
15	Other Income		
	Interest Income		
	On Security Deposits	27,464	65,084
	Others	8,451	-
	Other Non Operating Income		
	Liability no longer required - written off	-	10,756
		<u>35,915</u>	<u>75,840</u>
16	Operating Expenses		
	Clearing Charges	4,99,948	52,49,644
		<u>4,99,948</u>	<u>52,49,644</u>
17	Employee Benefit Expenses		
	Salaries, Wages & Bonus	-	7,98,337
		<u>-</u>	<u>7,98,337</u>
18	Depreciation and amortization expense		
	Amortisation of Intangible Assets	1,67,448	1,67,448
		<u>1,67,448</u>	<u>1,67,448</u>
19	Other Expenses		
	Administrative Expenses		
	Printing and Stationery	8,100	14,440
	Professional Charges	6,500	27,000
	Miscellaneous Expenses	5,497	17,676
	Membership Fees	-	22,000
	Computer Maintenance	3,600	32,000
	Audit Fees	25,000	60,000
	Bank Charges	17,051	150
	Interest on TDS	-	76
		<u>65,748</u>	<u>1,73,342</u>
20	Tax Expenses		
	Income Tax recognised in Statement of Profit and Loss		
	Current Tax	-	-
	Deferred Tax	43,430	61,871
	Income Tax for earlier years	9,540	-
		<u>52,970</u>	<u>61,871</u>



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Notes on Standalone Financial Statements for the year ended March 31, 2021

21 **RELATED PARTY DISCLOSURES**

Related Parties with without transactions have taken place during the year.

B) Holding Company

GATI Limited

Summary of transactions with related parties:

Amount in ₹

Nature of transactions	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Sale of Services to Gati Ltd	5,60,255	60,52,960
Total	5,60,255	60,52,960

Summary of closing balances with related parties:

Amount in ₹

Nature of transactions	As at March 31, 2021	As at March 31, 2020
a) Sundry Debtors - Gati Ltd	-	14,29,286
b) Sundry Creditors - Gati Ltd	44,97,941	60,45,025
C) Other payables - Gati Ltd	21,83,234	21,83,234
Total	66,81,175	96,57,545

22 Segment Reporting is not applicable

23 There are no contingent liabilities

24 Previous year numbers are regrouped or rearranged wherever applicable


25 There is no significant impact of covid 19 on the financial statements.

The accompanying notes are an integral part of the Financial Statements


As per our report of even date

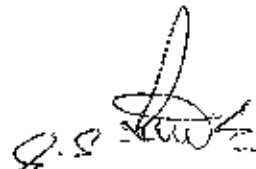
For and on behalf of the Board of Directors

For Laxminivas & Co.
Chartered Accountants
Firm Registration No : 011168S


Gulharoy Ashish Kumar
Partner
Membership No. 018659
Camp: Hyderabad
Date: 14/04/2021




Sreeniyasa Mohendra Pippalla
Director
DIN: 08956946



G S Ravi Kumar
Director
DIN: 01087133

