

14th ANNUAL REPORT
2020-21



GATI-KINTETSU EXPRESS PRIVATE LIMITED

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Disclaimer: *We have exercised utmost care in the preparation of this report. It contains forecasts and/or information relating to forecasts. Forecasts are based on facts, expectations, and/or past figures. As with all forward-looking statements, forecasts are connected with known and unknown uncertainties, which may mean the actual result deviate significantly from the forecast. Forecasts prepared by the third parties, or data or evaluations used by third parties and mentioned in this communication, may be inappropriate, incomplete, or falsified. We cannot assess whether information in this report has been taken from third parties, or these provide the basis of our own evaluations, such use is made known in this report. As a result of the above-mentioned circumstances, we can provide no warranty regarding the correctness, completeness, and up-to-date nature of information taken, and declared as being taken, from third parties, as well as for forward-looking statements, irrespective of whether these derive from third parties or ourselves. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.*

Corporate Information

BOARD OF DIRECTORS

1. Mr. Adarsh Hegde	- Chairman & Managing Director (appointed w.e.f October 05, 2020)
2. Mr. Bala Aghoramurthy	- Deputy Managing Director
3. Ms. Sheela Bhide	- Director
4. Mr. R Ramachandran	- Director
5. Mr. Nilesh Shivji Vikamsey	- Director (appointed w.e.f May 18, 2021)
6. Mr. Masaru Kobayashi	- Nominee Director (appointed w.e.f June 01, 2021)
7. Mr. Vibhu Prakash Annaswamy	- Nominee Director (appointed w.e.f June 01, 2021)
8. Mr. Mahendra Agarwal	- Chairman and Managing Director (Resigned w.e.f. September 28, 2020)
9. Mr. MP Bansal	- Director (appointed w.e.f October 05, 2020 and resigned w.e.f March 04, 2021)
10. Mr. Kazuhisa Kawamura	- Nominee Director (resigned w.e.f June 01, 2021)
11. Mr. Kok Seng Tan	- Nominee Director (resigned w.e.f June 01, 2021)

KEY MANAGERIAL PERSONNEL

1. Mr. Rohan Mittal - Chief Financial Officer (appointed w.e.f November 02, 2020)
2. Ms. TS Maharani - Company Secretary

AUDITORS

Singhi & Co, Chartered Accountants
161, Sarat Bose Road, Kolkata-700026

REGISTERED OFFICE

First Floor, Plot No. 20, Survey No. 12, Kothaguda,
Kondapur Hyderabad-500084, Telangana
CIN: U62200TG2007PTC056311
Email ID: investor.services@gati.com

REGISTRAR AND SHARE TRANSFER AGENTS

Link Intime India Private Limited
Address:
C -101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai – 400 083
Maharashtra
Tel. No.: 18003454001
E-mail: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

BANKERS

- 1) Bank of Bahrain and Kuwait B.S.C
- 2) The Federal Bank Limited
- 3) DCB Bank Limited
- 4) IndusInd Bank Limited
- 5) Syndicate Bank
- 6) TATA Capital Financial Services Limited
- 7) The South Indian Bank Limited
- 8) Kotak Mahindra Prime Limited
- 9) Bank of Baroda
- 10) HDFC Bank Limited
- 11) Tata Motors Finance Limited
- 12) HP Financial Services (India) Pvt. Ltd.
- 13) Capsave Finance Pvt. Ltd
- 14) Rent Alpha Pvt. Ltd.

Notice

Notice is hereby given that the 14th (Fourteenth) Annual General Meeting (AGM) of the members of **Gati-Kintetsu Express Private Limited** (CIN: U62200TG2007PTC056311) (the Company) will be held on Monday, July 26, 2021 at 3.00 pm through Video Conferencing (VC) or Other Audio Visual Means (OAVM) for which purpose the Registered office of the Company situated at Plot No. 20, Survey No. 12, Kothaguda, Kondapur, Hyderabad, Telangana – 500084 shall be deemed as the venue for the Meeting and the proceedings of the Annual General Meeting shall be deemed to be made thereat, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2021 and the Reports of the Board of Directors and Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** the audited financial statements of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

2. To appoint a Director in place of Mr. Balasubramanian Aghoramurthy (DIN: 06960138) (appointed as Dy. Managing Director for a period of 5 years w.e.f. 01.04.2020), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Balasubramanian Aghoramurthy (DIN: 06960138), who retires by rotation at this meeting, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS:

3. **Appointment of Mr. Nilesh Shivji Vikamsey (DIN: 00031213) as an Independent Director of the Company.**

To consider and if thought fit, approve to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Rules framed thereunder (including

any statutory modification(s) or re-enactment(s) thereof for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Nilesh Shivji Vikamsey (DIN: 00031213), who was appointed as an Additional Director of the Company with effect from May 18, 2021 under Section 161(1) of the Act and who holds office up to the date of this Annual General Meeting and who has submitted a declaration that he meets the criteria for Independence as provided in Section 149(6) of the Act and who is eligible for appointment and is recommended by the Board of Directors upon the recommendation of the Nomination and Remuneration Committee for the office of Director as an Independent Director, be and is hereby appointed, in accordance with Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the corresponding Rules framed thereunder, as an Independent Director to hold office for a term of 5 (Five) years with effect from May 18, 2021 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary be and are hereby severally authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

4. **Waiver for recovery of excess managerial remuneration paid to Mr. Balasubramanian Aghoramurthy, Deputy Managing Director for the Financial Year 2020-21.**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 197 of the Companies Act, 2013 as amended from time to time read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and based on the consideration of the Nomination and Remuneration Committee and recommendation by the Board of Directors of the Company, the members of the Company hereby approve the waiver for recovery of excess remuneration paid, over and above the limits

prescribed under the provisions of the Companies Act, 2013 amounting to ₹ 1,60,34,153/- (Rupees One Crore Sixty Lakhs Thirty Four Thousand One Hundred and Fifty Three only) paid to Mr. Balasubramanian Aghoramurthy (DIN: 06960138), Deputy Managing Director, during the financial year ended March 31, 2021.

RESOLVED FURTHER THAT Board of Directors and/ or the Company Secretary of the company be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution in this regard."

5. Waiver for recovery of excess managerial remuneration paid to Mr. Mahendra Agarwal, Ex-Chairman and Managing Director for the Financial Year 2020-21.

To consider and, if thought fit, to pass with or without modification(s) the following resolution, as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 197 of the Companies Act, 2013 as amended from

By order of the Board of Directors
For **Gati-Kintetsu Express Pvt. Ltd.**

TS Maharani
Company Secretary
Membership No.: 8069

Place: Hyderabad
Date: May 18, 2021

NOTES:

- 1) In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
- 2) As the AGM is being conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not

time to time read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and based on the consideration by the Nomination and Remuneration Committee and recommendation by the Board of Directors of the Company hereby approve the waiver for recovery of excess remuneration paid, over and above the limits prescribed under the provisions of the Companies Act, 2013 amounting to ₹ 14,85,351/- (Rupees Fourteen Lakhs Eighty Five Thousand Three Hundred and Fifty One only) paid to Mr. Mahendra Agarwal (DIN: 00179779), Ex-Chairman and Managing Director, during the financial year ended March 31, 2021.

RESOLVED FURTHER THAT Board of Directors and/ or the Company Secretary of the company be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary or desirable to give effect to this resolution in this regard."

Registered & Corporate Office:

First Floor, Plot No.20, Survey No.12,
Kothaguda, Kondapur, Hyderabad- 500 084
Tel: +91 040-7120 4284, Fax: +91 040-2311 2318
CIN: U62200TG2007PTC056311
Website: www.gatikwe.com
Email: investor.services@gati.com

available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

- 3) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013 ("the Act").
- 4) Corporate members intending to send their authorised representatives to attend the AGM pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy (in PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. authorising its representatives to attend the AGM, by e-mail to maharani.ts@gati.com.
- 5) A Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts relating to the Special Businesses to be transacted at the Meeting is annexed hereto.
- 6) In compliance with the aforementioned MCA Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those

Members whose email addresses are registered with the Company. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website: www.gatikwe.com.

- 7) Details of Directors retiring by rotation seeking appointment/re-appointment at this Meeting are provided in the "Annexure" to the Notice.
- 8) Members seeking any information with regard to any matter to be placed at the AGM, are requested to write to the Company through an email on maharani.ts@gati.com.
- 9) Company will be providing facility for voting at 14th AGM through VC/OAVM facility.
- 10) Members will be able to attend the AGM through VC/OAVM provided by the Company.
- 11) Facility of joining the AGM through VC/OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first-come first-served basis.
- 12) Members who need assistance before or during the AGM, can contact Mrs. TS Maharani on maharani.ts@gati.com / +91-8008559799.
- 13) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Company Secretary, by show of hand for all those members who are present at the AGM.
- 14) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the meeting by sending e-mail to maharani.ts@gati.com.
- 15) Members holding shares in physical mode:
 - a) are required to submit their Permanent Account Number (PAN) and bank account details to the Investor Service Department of the Company, if not registered with the Company.
 - b) are requested to register / update their e-mail address with the Investor Service Department of the Company for receiving all communications from the Company electronically.
- 16) Members holding shares in electronic mode:
 - a) are requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts.
 - b) are requested to register / update their e-mail address with their respective DPs for receiving all communications from the Company electronically.
- 17) Non-Resident Indian members are requested to inform respective DPs, immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- 18) Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Investor Service Department of the Company/RTA, in case the shares are held by them in physical form.
- 19) The requirement to place the matter relating to appointment of Auditors for ratification by members at every AGM is done away in accordance with the Companies Amendment Act, 2017, enforced on May 7, 2018 by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the AGM held on August 1, 2017.

By order of the Board of Directors
For **Gati-Kintetsu Express Pvt. Ltd.**

TS Maharani
Company Secretary
Membership No.: 8069

Place: Hyderabad
Date: May 18, 2021

Registered & Corporate Office:
First Floor, Plot No.20, Survey No.12,
Kothaguda, Kondapur, Hyderabad- 500 084
Tel: +91 040-7120 4284, Fax: +91 040-2311 2318
CIN: U62200TG2007PTC056311
Website: www.gatikwe.com
Email: investor.services@gati.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**Item No. 3:**

The Board of Directors upon the recommendation of the Nomination and Remuneration Committee, appointed Mr. Nilesh Shivji Vikamsey (DIN: 00031213) as an Additional Director with effect from May 18, 2021 pursuant to Section 161(1) of the Companies Act, 2013 ("the Act") and as an Independent Director pursuant to Section 149 of the Act. Notice received under Section 160 of the Act is available for inspection by the members at the Registered office of the Company during the business hours on any working day upto the date of the Annual General Meeting. In terms of the provisions of Section 161(1) of the Companies Act, 2013, Mr. Nilesh Shivji Vikamsey will hold office only upto the date of ensuing Annual General Meeting.

The Company has received consent in writing to act as Director in Form DIR-2 and intimation in Form DIR-8 to the effect that he is not disqualified u/s 164(2) to act as Director. The Company has also received declaration from him that he meets the criteria of independence as prescribed u/s 149(6) of the Companies Act, 2013. In the opinion of the Board, Mr. Nilesh Shivji Vikamsey fulfils the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

Mr. Nilesh Shivji Vikamsey, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a First Term of 5 (Five) years commencing from May 18, 2021.

The Board upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on May 18, 2021 has approved the appointment of Mr. Nilesh Shivji Vikamsey as an Independent Director and recommends the same for the approval by the Shareholders of the Company.

Except Mr. Nilesh Shivji Vikamsey, no other Director and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 3 of this Notice.

Other information about Mr. Nilesh Shivji Vikamsey, pursuant to Secretarial Standard-2 on General Meetings issued by ICSI are attached as Annexure to the Notice.

Item No. 4:

Members are requested to note that the provisions relating to managerial remuneration contained in Section 196, 197, 198, 200, 201 and Schedule V to the Companies Act, 2013 (the "Act") have been amended pursuant to the Companies (Amendment) Act, 2017 (the "Amendment Act") which has come into force with effect from September 12, 2018 (the "Effective Date"). Pursuant to the amended Section 197 of the Act, companies have been permitted to pay remuneration

to managerial personnel in excess of the limits prescribed under Section 197 read with Schedule V to the Act with the consent of the members of the company given by way of a special resolution and without requiring the approval of the Central Government (as required under Section 197 read with Schedule V to the Act before the Effective Date).

Further, during the Financial Year 2020-21, Mr. Balasubramanian Aghoramurthy, Deputy Managing Director was paid an overall remuneration amounting to ₹ 3,81,76,614/- (Rupees Three Crores Eighty One Lakhs Seventy Six Thousand Six Hundred and Fourteen Only), out of this an amount of ₹ 2,81,76,614/- was paid from the Company as remuneration and further an amount of ₹ 1.00 cr was paid from the holding Company, Gati Limited as one time Ex-gratia for his performance contribution to the Group as a whole.

The aforementioned remuneration paid to Mr. Balasubramanian Aghoramurthy, Deputy Managing Director exceeds the maximum limits prescribed under the relevant provisions of the Companies Act, 2013 by ₹ 1,60,34,153/- (Rupees One Crore Sixty Lakhs Thirty Four Thousand One Hundred and Fifty Three only). The waiver for recovery of such excess managerial remuneration paid to Mr. Balasubramanian Aghoramurthy requires the approval of the Members of the Company by way of special resolution in accordance with the provisions of the Act.

None of the Directors or key managerial personnel of the Company or their relatives except Mr. Balasubramanian Aghoramurthy is / are, in any way concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the Special Resolution as set out in Item No. 4 of the Notice for approval of the members.

Item No. 5:

Members are requested to note that the provisions relating to managerial remuneration contained in Section 196, 197, 198, 200, 201 and Schedule V to the Companies Act, 2013 (the "Act") have been amended pursuant to the Companies (Amendment) Act, 2017 (the "Amendment Act") which has come into force with effect from September 12, 2018 (the "Effective Date"). Pursuant to the amended Section 197 of the Act, companies have been permitted to pay remuneration to managerial personnel in excess of the limits prescribed under Section 197 read with Schedule V to the Act with the consent of the members of the company given by way of a special resolution and without requiring the approval of the Central Government (as required under Section 197 read with Schedule V to the Act before the Effective Date).

Further, during the Financial Year 2020-21, Mr. Mahendra Agarwal, Ex- Chairman and Managing Director was paid a total remuneration amounting to ₹ 1,35,47,463/- (Rupees One

Crore Thirty Five Lakhs Forty Seven Thousand Four Hundred and Sixty Three Only).

The aforementioned remuneration paid to Mr. Mahendra Agarwal, Ex- Chairman and Managing Director exceeds the maximum limits prescribed under the relevant provisions of Companies Act, 2013 by ₹ 14,85,351/- (Rupees Fourteen Lakhs Eighty Five Thousand Three Hundred and Fifty One only). The waiver for recovery of such excess managerial remuneration paid to Mr. Mahendra Agarwal requires the approval of the

Members of the Company by way of special resolution in accordance with the provisions of the Act.

None of the Directors or key managerial personnel of the Company or their relatives except Mr. Mahendra Agarwal is / are, in any way concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the Special Resolution as set out in Item No. 5 of the Notice for approval of the members.

By order of the Board of Directors
For **Gati-Kintetsu Express Pvt. Ltd.**

TS Maharani

Company Secretary
Membership No.: 8069

Place: Hyderabad
Date: May 18, 2021

Registered & Corporate Office:

First Floor, Plot No.20, Survey No.12,
Kothaguda, Kondapur, Hyderabad- 500 084
Tel: +91 040-7120 4284, Fax: +91 040-2311 2318
CIN: U62200TG2007PTC056311
Website: www.gatikwe.com
Email: investor.services@gati.com

ANNEXURE TO THE NOTICE

PURSUANT TO SECRETARIAL STANDARD 2 ISSUED BY ICSI, INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/ RE-APPOINTED IS FURNISHED BELOW:

Mr. Nilesh Shivji Vikamsey (DIN: 00031213)	
Age	56
Qualifications	Chartered Accountant
Experience (including expertise in specific functional area) / Brief Resume	Nilesh Shivji Vikamsey is a Senior Partner of Khimji Kunverji & Co LLP Chartered Accountants since 1985. A firm registered with the Institute of Chartered Accountants of India & in practice since 1936, having over 80 years of experience in the areas of Auditing, Taxation, Corporate & Personal Advisory Services, Business & Management Consulting Services, Due diligence, Valuations, Inspections, Investigations, etc.
Terms & Conditions of Appointment	As mentioned in the notice hereinabove.
Remuneration Last Drawn (FY 2020-21)	Not Applicable
Remuneration proposed to be paid	-
Date of first appointment on the Board	May 18, 2021
Shareholding in the Company as on May 18, 2021	-
Relationship with other Directors/Key Managerial Personnel	Not related to any director/key managerial personnel
Number of meetings of the Board attended during the financial year (2020-21)	Not Applicable
Directorships of other Boards as on May 18, 2021	<ul style="list-style-type: none"> • Navneet Education Limited; • Gati Limited; • Thomas Cook (India) Limited; • PNB Housing Finance Limited; • IIFL Finance Limited; • IIFL Wealth Management Limited; • SOTC Travel Limited; • Nippon Life India Trustee Limited.
Membership/Chairpersonship of Audit/Stakeholders Committees of other Boards as on May 18, 2021	<ul style="list-style-type: none"> • Navneet Education Limited:- Audit Committee • Gati Limited:- Audit Committee • Thomas Cook (India) Limited:- Audit Committee Stakeholders Relationship Committee • PNB Housing Finance Limited:- Audit Committee • IIFL Finance Limited:- Audit Committee • IIFL Wealth Management Limited:- Audit Committee • Nippon Life India Trustee Limited:- Audit Committee

Directors' Report

Dear Members,

Your Directors have great pleasure in presenting the report of the Business and Operations of your Company ('the Company' or 'GKEPL'), along with the audited financial statements, for the financial year ended March 31, 2021.

1) FINANCIAL HIGHLIGHTS

	(₹ in Lakhs)	
Particulars	2020-21	2019-20
Total Income	101681	116403
Profit before Finance Cost, Depreciation, Exceptional items & Taxation	3785	5282
Less : Finance cost	2582	2892
Less : Depreciation	3136	3244
Profit/ Loss before Tax & Exceptional Items	(1933)	(853)
Less: Exceptional Items	4151	-
Profit/ Loss before Tax	(6084)	(853)
Less : Total Tax Expenses	(1718)	(75)
Profit/ (Loss) after Tax	(4366)	(778)
Other Comprehensive Income for the year (net of tax)	(246)	(79)
Total Comprehensive Income for the year	(4612)	(857)

Your Company has provided Ind AS Financials for the year ended 31st March, 2021 along with comparable as on 31st March, 2020.

2) DIVIDEND

Your Directors do not recommend dividend for the year under review.

3) RESERVES

No amount transferred to Reserves, in view of the losses of the Company at the end of the financial year.

4) EQUITY SHARE CAPITAL

The authorized share capital of the Company stands at ₹ 75,00,000/- (Rupees Seventy Five Lakhs only) divided into 7,50,000 (Seven Lakhs Fifty Thousand) Equity Shares of ₹ 10/- (Rupees Ten only) each. Your Company's issued, subscribed and paid-up share capital stands at ₹ 50,00,000/- (Rupees Fifty Lakhs only) divided into 5,00,000 (Five Lakhs) equity shares of ₹ 10/- (Rupees Ten only) each.

5) REVIEW OF OPERATIONS

During the year under review, your Company recorded revenue of ₹ 1,01,681 Lakhs, EBITDA of ₹ 3,785 Lakhs and PAT of ₹ (4366) Lakhs against a revenue of ₹ 1,16,403 Lakhs, EBITDA of ₹ 5,282 Lakhs and PAT of ₹ (778) Lakhs in the previous year.

6) BUSINESS PERFORMANCE

While the pandemic has had an impact on financial performance, a number of capabilities and strengths of the company are driving business ahead and bring forth great potential for the days that lie ahead.

Express distribution

Owing to its practicality, cost saving and the greater load-bearing capacity of roads, the demand for surface express distribution has been on the rise and the division shows potential for an upward trend. This is likely to be further strengthened by the thrust on developing roadways which would result in reducing the time taken for deliveries. With its multi-modal deliveries that cover over 99% of the country's districts and customized need-based distribution services, the company has emerged as a reliable express distribution partner for businesses in different sectors.

Air freight

When it comes to critical cargo and time-sensitive transportation especially for pharmaceuticals and essential goods as well as electronic and auto supply chain elements, the need for reliable air freight solutions is likely to be higher. The revamp in Gati-KWE's air freight business vertical with the launch of Gati Air, strengthened by connections to all of India's commercial airports and partnerships with India's leading domestic airlines can be of significant advantage for the company as well as customers who can now rely on Gati-KWE for a combination of air and surface express to deliver time-urgent cargo to all parts of the country.

E-commerce

The company has been able to leverage India's e-commerce boom and offer its customers safe, timely deliveries along with last mile deliveries and a number of value-added services like Cash-on-delivery, Freight-on-delivery, card payments, return to origin and return to vendor services, order consolidation and one-stop solutions, API and real-time tracking and updates, shared and dedicated fulfilment services and lots more.

Special services

In view of unique needs of different business and customer segments, Gati-KWE has specialised solutions for retail businesses, Small and Medium-sized Enterprises, Key Executive Accounts as well as for customers. Some of its special services for individuals, families, specific business segments include:

- **Premium Flexilite - Air shipments for cargo up to 5 kg**

An air express service designed for fast and cost-efficient deliveries. Backed by an unmatched multi-modal network, Premium Flexilite services ensure time-bound door-to-door deliveries of documents as well as packages across metros as well as non-metros.

- **Laabh - Surface deliveries of cargo weighing up to 20 kg**

Laabh is specially devised to meet the regular shipping requirements of individuals as well as small and medium enterprises. It can transport household goods, equipment and home appliances at low rates.

- **Surface Lite - Surface deliveries for cargo up to 5 kg**

Surface Lite enables transportation of small and lightweight goods across the country. Whether it's household goods or gifts, a flexible pricing on per kg basis makes it a feasible option for smaller sized packages.

- **Student Express - Special services with special discounts for students**

Special solutions tailored for students, to help them manage and efficiently move luggage like books, musical instruments or even bikes from home to campus or campus to home.

- **Bike Express - Dedicated services to move your bikes**

Bike Express solutions are designed to move bikes of our customers to any part of the country, safely and swiftly.

- **Art Express - Special services for moving your priceless art pieces**

Art Express services are delivered by a team specially trained in handling, packaging and movement of priceless art pieces across the country.

7) CREDIT RATING

Due to consistent performance of the company, current credit ratings of the Company are as follows:

Instrument	Rating	Rating Agency
Long Term Facilities	A Plus	CARE Ratings Limited
Short Term Facilities	A1 plus	CARE Ratings Limited

8) FUTURE PROSPECTS

There are a number of core competencies that pave the way ahead and lend strength to Gati-KWE's forward strides into the coming months.

- An extensive reach across all parts of the country and access to a global network operating in 180 countries.
- One-stop solutions and multi-level offerings that include express distribution, air freight, e-commerce and special services.
- World-class facilities including Surface Transshipment Centres, Air Transit Centres and strategically located e-fulfilment centres to offer customized storage and delivery solutions.
- Digitally-enabled services and focus on using technology for data sharing between operations, customers and vendors, to facilitate route optimization, freight consolidation, back office functions and other services, as well as offer instant assistance to customers.
- Ability to offer customers solutions in NVOCC, CFS-ICD, project logistics, contract logistics and logistics parks, as 'An Allcargo Company'.
- A customer-centric approach to always go the extra mile and deliver nothing but the best to customers.

9) GLOBAL MACROECONOMICS

According to recently published research, the global logistics market is estimated to grow by a CAGR of 4.7% through 2024 and recover from the contractions in 2020.

While growing e-commerce, adoption of digital tools and technology like Internet of Things (IoT), along with automation and multi-modal transportation are likely to fuel growth, the logistics sector continues to be hindered by factors like poor infrastructure, high logistics costs, disruptions due to port congestions, COVID-19 prevention and safety measures, lack of availability of manpower and others.

Recent incidents like the extended peak season for global imports and exports, the blockage of the Suez Canal, the second wave of COVID-19 have affected global trade and economy.

However, going forward, as increasing number of people get vaccinated and life and businesses get on to a path of

slow but steady recovery, the prospects for the logistics industry seem bright and positive.

10) INDIA OUTLOOK

The growth in India's real GDP during 2020-21 is estimated at -8% as compared to the growth rate of 4% in 2019-20. The pandemic has had a severe impact and hindered consumption as well as industry growth across sectors. In addition, unavailability of labour owing to the migrant labour crises has resulted into a decline in the prospects and performance of several industries dependent on migrant labour.

However, with the vaccination drive in action, preparedness while dealing with the severe second wave of the global COVID-19 pandemic, the economy is likely to pick-up as businesses open up and resume operations.

The International Monetary Fund (IMF) has placed India as the only country among the developing and advanced category to receive a double digit growth forecast of 12.55%. Even the Economic Survey of India forecasts India's real GDP to grow by 11% and nominal GDP to grow by 15.4% in FY 2021-22.

11) INDIA LOGISTICS SECTOR

The logistics sector has always been an important contributor to the nation's growth and progress. However, especially during the COVID-19 pandemic, it truly proved its mettle. Logistics entities across the ecosystem successfully collaborated to keep cargo moving and prevent ports from getting choked. 3PL and e-commerce logistics players adapted and restructured their operations and processes to ensure supplies of essential goods and products, pharmaceuticals, medicines and healthcare supplies were met with minimal hindrances.

The logistics sector, which is critical to the functioning of all other sectors is today a USD 200 billion industry in India and is set to grow further.

Some of the key factors driving the growth of the sector include the increasing thrust on digitalization, the government support for development of logistics infrastructure and likely roll-out of the National Logistics Policy, along with the upswing in e-commerce and warehousing demand. Global business looking to diversify the risk in their global supply chains and assess diverse locations for manufacturing and distribution create potential for India to emerge as a key destination for global trade. All these augur well for the country's logistics and supply chain industry, and are of particular advantage to organized and integrated logistics players like Gati-KWE.

India's logistics sector is estimated to grow at a CAGR of 10.5% between 2019 and 2025.

12) QUALITY

The company recognizes the value of quality services and emphasizes on continuous quality improvement. It has continued to achieve excellence through various initiatives based on KAIZEN, PDCA Cycle, 7 QC and 5S principles. As a result of these, there has been a substantial reduction in defects and claims. The company's core express distribution business maintains the ISO 9001:2015 certification which is a testimony to its commitment to quality.

13) PROJECT AVVASHYA

The company has embarked on its vision of becoming an end-to-end logistics powerhouse. To maximize the combined strengths and synergies as 'An Allcargo Company', the organization-wide transformation project – Project Avvashya – in partnership with leading consultants Alvarez & Marsal, has been in the throes of action and achieved numerous sales, business development and operations excellence targets.

There has been a complete internal restructuring of the organization at a zonal and business vertical level, to align it to the needs and expectations of customers in the new normal. Experienced talent has been brought in from within and outside the industry, along with the inclusion of Allcargo's senior leaders on the company's Board.

To foster a stronger cultural integration and commitment towards common goals and objectives, the Avvashya Vision, Mission and Values launched in October 2020 have been implemented across the company.

Key initiatives covering internal capabilities, winning customer confidence, handling ever-changing market dynamics, continuous improvement and innovation have been identified and are in various stages of completion. We look forward to having all these progressive changes in the areas of Sales Acceleration, Operation Excellence, Technology & Processes, Quality, Talent & Organisation and Cash & Overheads further enhance customer experiences, transform the company and reiterate its position as a force to reckon with in the logistics and supply chain industry.

14) DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Balasubramanian Aghoramurthy (DIN: 06960138), Director who retires by rotation and being eligible, has offered himself for re-appointment.

During the year under review :

- Mr. Mahendra Kumar Agarwal (DIN: 00179779) resigned from the position of the Chairman and Managing Director of the Company w.e.f. September 28, 2020.
- Mr. Adarsh Hegde (DIN: 00035040) was appointed as the new Chairman and Managing Director (Executive) of the Company w.e.f. October 05, 2020.
- Mr. Mohinder Pal Bansal (DIN: 01626343) was appointed as Non-Executive-Independent Director w.e.f. October 05, 2020 and resigned on March 04, 2021.
- Mr. Rohan Mittal, the CFO of the Holding Company (Gati Limited) was appointed as the Chief Financial Officer (CFO) of the Company, w.e.f. November 02, 2020 in the place of Mr. Peter Jayakumar, Dy. CFO who stepped down due to his superannuation.

During the current year, Mr. Nilesh Shivji Vikamsey (DIN: 00031213) was appointed as Non-Executive-Independent Director w.e.f. May 18, 2021. Further, KWE have replaced their representatives Mr. Kazuhisa Kawamura (DIN: 03487832) and Mr. Kok Seng Tan (DIN: 02895454) with Mr. Vibhu Prakash Annaswamy (DIN: 07423494) and Mr. Masaru Kobayashi (DIN: 08960390) as their nominees on the Board of the Company w.e.f. June 01, 2021. Apart from above, there have been no other changes in Directors and KMP.

15) PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The remuneration paid to your Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force). The Nomination & Remuneration Policy of your company is available on the website of the company i.e. www.gatikwe.com.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended), a statement showing the names and other particulars of the top ten employees in terms of remuneration drawn and the other employees drawing remuneration in excess of the limits set out in the said rules, is provided in a separate annexure forming part of this report.

Having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection on all working days, during

business hours, at the Registered Office of the Company. Any member interested in obtaining such information may write to the Company and the same will be furnished on request.

16) DECLARATION ON INDEPENDENT DIRECTORS

Pursuant to sub section (6) of Section 149 of the Companies Act, 2013 all the Independent Directors of your Company have given declaration that they have met the criteria of independence as required under the Companies Act, 2013.

In accordance with the provisions of Section 150 of the Act read with the applicable Rules framed thereunder, the Independent Directors of the Company have registered themselves in the Independent Directors data bank maintained by the Indian Institute of Corporate Affairs ("IICA"). The Independent Directors, unless exempted, are required to pass an online proficiency self-assessment test conducted by IICA within one year from the date of their registration on IICA databank.

17) BOARD EVALUATION

The Board of Directors had appointed an Independent external agency i.e. HRCRAFT Business Consulting Private Limited to implement and finalize schedule, framework, mechanism for performance evaluation and assessment of Board, its committees, independent & non-independent directors as per the provisions of the Companies Act, 2013.

The performance of the board was evaluated after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The performance of non-independent directors, the Chairman of the Company and the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like understanding towards governance, meaningful and constructive contribution and inputs in meetings, etc.

Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

18) SEPARATE MEETINGS OF THE INDEPENDENT DIRECTORS

During the year under review, a meeting of the Independent Directors was convened on March 27, 2021, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

19) PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, forms part of the Financial Statements.

20) CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of section 135 and Schedule VII of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 made thereunder, the Board of Directors of your Company have constituted a CSR Committee.

The brief outline of the Corporate Social Responsibility (CSR) Policy of your Company and the initiatives undertaken on CSR activities during the year are set out in **Annexure A** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the Company's website.

21) RELATED PARTY TRANSACTIONS (RPT)

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. The disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is not applicable.

Further, all Related Party Transactions are placed before the Audit Committee for prior approval. Prior omnibus approval for normal company transactions is also obtained from the Audit Committee for the related party transactions which are of repetitive nature as well as for the normal company transactions which cannot be foreseen and accordingly the required disclosures are made to the Committee on quarterly basis in terms of the approval of the Committee.

Your Directors have on the recommendation of the Audit Committee, adopted a RPT policy to regulate transactions between your Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

22) COMMITTEES OF THE BOARD

- The Board Committees focus on specific areas and take informed decisions within the authority delegated. Each such Committee is guided by its Charter, which defines the composition, scope and powers. The Committees also make specific recommendations to the Board on various matters whenever required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval.

The Company has three Board-level Committees, namely:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Corporate Social Responsibility Committee

23) MEETINGS OF THE BOARD & COMMITTEES

During the financial year 2020-21, the Board met Six (6) times: on June 23, 2020, September 10, 2020, September 28, 2020, October 05, 2020, November 02, 2020 and February 03, 2021. The below table gives the attendance of the Directors in the board meetings.

S. No	Name of the Director	No. of Board meetings entitled to attend	No. of Board meetings attended
1	Mr. Adarsh Hegde*	3	3
2	Mr. Mahendra Kumar Agarwal*	3	3
3	Ms. Sheela Bhide	6	6
4	Mr. Ramachandran Rajaraman	6	6
5	Mr. Kok Seng Tan	6	6
6	Mr. Kazuhisa Kawamura	6	5
7	Mr. Balasubramanian Aghoramurthy	6	6
8	Mr. MP Bansal*	2	1

* Mr. Adarsh Hegde and Mr. MP Bansal were appointed w.e.f October 05, 2020. Mr. Mahendra Kumar Agarwal had resigned w.e.f September 28, 2020.

Further, the following were the Committee Meetings held during the financial year under review:

- a) Audit Committee – The committee met four times on June 23, 2020, September 10, 2020, November 02, 2020 and February 03, 2021.
- b) Nomination & Remuneration Committee – The Committee met four times on June 23, 2020,

September 10, 2020, October 05, 2020 and November 02, 2020.

- c) Corporate Social Responsibility Committee – The Committee met twice on September 10, 2020 and February 03, 2021.

24) AUDIT COMMITTEE

Pursuant to the provisions of the Companies Act, 2013 and rules made thereunder, your Company has constituted Audit Committee comprising of the following Directors:

No	Name	Position
1.	Mr. R Ramachandran	Chairman
2.	Mr. MP Bansal*	Member upto March 04, 2021
3.	Mr. Nilesh Shivji Vikamsey*	Member from May 18, 2021
4.	Mr. Kok Seng Tan*	Member upto June 01, 2021
5.	Mr. Vibhu Prakash Annaswamy*	Member from June 01, 2021

*Mr. MP Bansal was appointed w.e.f October 05, 2020 and had resigned on March 04, 2021. Mr. Nilesh Shivji Vikamsey was appointed w.e.f May 18, 2021. Further, Mr. Kok Seng Tan had resigned w.e.f June 01, 2021 and Mr. Vibhu Prakash Annaswamy was appointed w.e.f June 01, 2021 as per the decision of KWE.

25) VIGIL MECHANISM

The Whistle-blower Policy has been approved and adopted by the Board of Directors of the Company in compliance with the provisions of Section 177 (10) of the Companies Act, 2013.

The Policy also provides protection to the employees and business associates who report unethical practices and irregularities. Further, the Whistle-blower Policy is available on the website of your company at www.gatikwe.com.

Any incidents that are reported are investigated and suitable action is taken in line with the Whistle Blower Policy.

26) POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made thereunder, your Company has constituted Internal Committee (IC).

The Company has taken several initiative across the organization to build awareness amongst employees about the Policy and the provisions of Prevention of Sexual Harassment of Women at Workplace Act.

During the financial year 2020-21, one complaint with allegations of sexual harassment was received by the Company. The same was disposed-off as per the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and as of March 31, 2021, no complaint was pending.

27) DIRECTORS' RESPONSIBILITY STATEMENT

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair value, the provision of the Act (to the extent notified). The Ind AS are prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 effective April 1, 2016, the company has adopted all the Ind AS standards and the adoption was carried out in accordance with applicable transition guidance. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Pursuant to the requirement under section 134(5) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement relating to the Company, it is hereby confirmed:

1. That in the preparation of the Annual Accounts for the financial year ended March 31, 2021, the applicable accounting standards and schedule III of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force), have been followed along with the proper explanation relating to material departures;
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit and loss of the Company for the financial year ended March 31, 2021;
3. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force), for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. That the accounts have been prepared on 'going concern' basis, for the financial year ended March 31, 2021;
5. That the Company, had laid down internal financial controls and that such internal financial controls are adequate and were operating effectively;
6. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

28) EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 in accordance with Section 92(3) of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, is annexed as **Annexure B**. A copy of the Annual Return will be made available on the website of the company i.e. www.gatikwe.com.

29) DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

Your company has a well-defined process in place to ensure appropriate identification and treatment of risks. Risk identification exercise is inter-woven with the annual planning cycle which ensures both regularity and comprehensiveness. The identification of risk is done at strategic, business, operational and process levels. While the mitigation plan and actions for risks belonging to strategic, business and key critical operational risks are driven by senior leadership, for rest of the risks, operating managers drives the conception and subsequent auctioning of mitigation plans.

All risks are well integrated with functional and business plans and are reviewed on a regular basis by the senior leadership.

30) INTERNAL FINANCIAL CONTROLS

Your Company has established and maintained a framework of internal financial controls and compliance systems. Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and your Company is constantly endeavoring to improve the standards of internal control in various areas and taking steps to strengthen the internal control system to

make it commensurate and effective with the nature of its business.

Further, the statutory auditors of your company have also issued an attestation report on internal control over financial reporting (as defined in section 143 of Companies Act, 2013) for the financial year ended March 31, 2021, which forms part to the Statutory Auditors Report.

31) GOVERNANCE, COMPLIANCE AND BUSINESS INTEGRITY

The Legal function of your Company continues to be a valued business partner that provides solutions to protect your Company and enable it to win in the volatile, uncertain, complex and ambiguous environment. Through its focus on creating 'value with values', the function provides strategic business partnership in the areas including claims, legislative changes, combatting unfair competition, business integrity and governance.

As the markets continue to be disrupted with newer technologies and ever-evolving consumer preferences, the need to have a framework around data security and privacy is paramount. Your Company continues to ensure it has an appropriate framework and safeguards for data privacy of its stakeholders with enhanced legal and security standards.

Your Company is of the view that the menace of counterfeits can be effectively addressed if enforcement actions are supplemented with building awareness amongst the consumers of tomorrow.

32) AUDITORS

a) Statutory Auditors

M/s. Singhi & Co., Chartered Accountants, (Firm Registration No. 304045E), were appointed as Statutory Auditors of the Company at the 10th AGM till the conclusion of the 15th AGM.

M/s. Singhi & Co., Chartered Accountants, have confirmed their eligibility and qualification under Section 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules issued thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder (Ind AS) and other accounting principles generally accepted in India.

The Auditors' Report for the financial year ended March 31, 2021 on the financial statement of the Company is a part of this Annual Report. The Auditors have given an unqualified opinion on the financial statements of the Company. However, the emphasis of matter was given as below:

Emphasis of Matter:

The managerial remuneration paid to one executive Director and one erstwhile executive Director for the year ended March 31, 2021 has exceeded the limits prescribed under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 275 lakhs.

Board comments:

The excess managerial remuneration paid to the executive Directors for the year ended March 31, 2021 is being placed in the ensuing Annual General Meeting for necessary approvals from the Shareholders. Further in this regard, no adjustments were made to the financial statements.

Internal Financial Control:

Annexure B to the Independent Auditor's report on Internal Financial Control over financial reporting, Auditor qualifications are on the basis of the following:

- a) Contract revenue mapping in Information technology system
- b) Integration between various functional software relating to Sales and expenses with the accounting in software

Board comments:

- a) Regarding contract revenue mapping, the Company has initiated the implementation of Digital contract system.
- b) Regarding Integrating of certain functional software with the accounting software, necessary steps have been taken with.

b) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. Puttapparthi Jagannatham & Co., to undertake the Secretarial Audit of your Company. The Report of the Secretarial Audit is annexed as **Annexure C**. The Secretarial Auditors have given a qualified opinion which is described as below:

The composition of Nomination and Remuneration Committee and Audit Committee of the Company did not satisfy with the provisions of Section 177 and 178 of Companies Act, 2013 w.e.f. 05th December, 2019 post resignation of one of the Independent Director and the

committee was duly re-constituted in compliance with the applicable laws only on October 5, 2020.

Board's Comment:

The Board in its meeting held on October 05, 2020 have appointed Directors and re-constituted the Audit Committee and Nomination & Remuneration Committee in order to meet the requirements of Section 177 and 178 of the Companies Act, 2013.

33) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The above information as required under the Companies Act, 2013, is annexed as **Annexure D**.

34) HUMAN RESOURCES

HR strategy has an integral role to play in the success of the Organization's Vision. This has been a non-wavering principle for attracting talent, building requisite capabilities and skills, motivating, developing, assessing at regular intervals across levels and retaining talent to help Gati master the dynamic market challenges and make the most of opportunities available for leveraging as well strengthening the brand and stakeholder value.

Your Company strongly believes that human capital is integral and enables the success of the Organization through nurturing talent and facilitating growth internally in terms of providing higher responsibilities and lateral role changes thus providing job enrichment to Gati'ites.

The entire framework of employee facing processes and systems has been designed, in line with the Company's strategic plans, to offer a positive and delightful employee experience with the HR team focusing on the most critical aspects of human connect spanning the entire employee life cycle such as quality Talent Acquisition, Performance Management, Employee engagement, Talent & Succession Management, Learning & Development, Assessments and Development and Employee communication.

Investing in our employees continues to be paramount to ensure success of employees and the Organization on a continual basis by way of encouraging our people to grow in multiple dimensions and enabling them to achieve success professionally and personally. Lasting satisfaction is about combining the intellectual, emotional, personal and social well-being of our employees.

Our L&D framework is designed to fuel future ready resources through structured 'Capability Development' initiatives based on a highly scientific approach, aiming at creating domain expertise and Leadership capabilities across levels and functions. We had been regularly initiating various learning interventions to meet talent

requirement across various levels and functions and have further strengthened our learning framework comprising GTRN (Graduate Trainee) Program, BDET (Business Development Executive Trainee) Program, byte-sized customized chunks of continuous animated learning capsules in line with ever-changing market dynamics and employee training needs and PDW (Professional Development Workshop series) Program for Associates and Executives; AMTR (Assistant Manager Trainee) Program for assessing and developing the right Front-line Managers with the Framework being named as Discovering the Manager in You; Beyond Managing to Leading, a structured Leadership Development Framework for our Mid-Management level, Coaching on Leadership for Senior Leaders and several such domain-specific and behavioral interventions. We have a diverse talent base of 3500 high-calibre Gati'ites of which Gen Y comprises 65% of workforce. Our online, classroom-based and blended training interventions covered all 3500 Gati'ites ensuring minimum 3 man days of training for everyone.

We continuously strive to be transparent and objective in our people processes. Through the annual employee engagement survey, a number of key focus areas were identified and many Gati'ites were invited and consulted to create action plans to address areas of concerns. We encourage debate and open dialogue on various processes directly impacting Gati'ites which helps us to develop and improvise our people strategy for future. This has resulted in significant improvement in Employee Engagement score vis-à-vis last year and GATI is now a coveted Great Place to Work for the second consecutive year in the midst of the pandemic.

Our people practices have received recognition at different forums enabling healthy and professional working environment at all levels, ensuring free flow of ideas and information through a unified organisation structure and defined processes. Our affirmative actions include actively hiring women candidates, support hiring of differently abled and other unique CSR initiatives that touch more than 10000 lives.

35) GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the financial year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise;

2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme;
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;
4. During the period under review, none of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143 (12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force);
5. The Company has complied with Secretarial Standards, i.e. SS-1 and SS-2, relating to Meetings of the Board of Directors and General Meetings, issued by the Institute of Company Secretaries of India;
6. There were no material changes commitments affecting the financial position of the Company between the end of financial year (March 31, 2021) and the date of the report (May 18, 2021);
7. During the year under review, your Company did not accept any public deposits;
8. The company does not have any subsidiaries, joint venture or associate companies;
9. Company is not required to maintain cost records under Section 148(1) of the Companies Act, 2013.

ACKNOWLEDGEMENT

Your Directors thank various departments of Central and State Government, Organizations and Agencies for the continued help and co-operation extended by them to your company. Your Directors also gratefully acknowledge all stakeholders of the Company viz. members, customers, dealers, vendors, Financial Institutions, banks and other business partners for the excellent support received from them during the year. Your Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board

Adarsh Hegde

Place: Hyderabad
Date: May 18, 2021

Chairman and Managing Director
DIN: 00035040

Annexure – A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FY 2020-21

1.	A brief outline of the Company's CSR policy.	Gati-KWE strives to be a socially responsible corporate by fulfilling its responsibilities as a member of the society and community, thereby creating a positive impact to the stakeholders with a concern towards the environment. The programs include Education, Community, Environment Sustainability and Rural Development Projects & Donations.				
2.	The Composition of the CSR Committee					
		S. No.	Designation and Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year	
		1	Mr. Kazuhisa Kawamura Chairman-Nominee Director	2	2	
		2	Ms. Sheela Bhide Member – Non Executive Independent Director	2	2	
		3	Mr. Balasubramanian Aghoramurthy Member- Deputy Managing Director	2	2	
3.	Weblink for Composition of CSR Committee, CSR Policy and approved CSR Projects	CSR Policy: https://www.gatikwe.com/wp-content/uploads/2018/07/Gati-KWE-CSR-Policy.pdf CSR Projects: https://www.gati.com/csr/				
4.	Impact Assessment of CSR Projects Carried out, if any	During the Financial Year, no Impact assessment was carried out by the company as the average CSR Obligation is not more than ₹10 crore or more in 3 preceding Financial years.				
5.	Excess CSR Amount available for set off during the year	NIL				
6.	Average net profit of the Company for last three financial years for the purpose of computation of CSR	₹ 23,31,63,326/-				
7.	(a) Two percent of average Net Profit as per Sec 135(5)	₹ 46,63,267/-				
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	NIL				
	(c) Amount required to be set off for the financial year, if any	NIL				
	(d) Total CSR Obligation for FY 2020-21	₹ 46,63,267/-				
8.	(a) Details of CSR amount spent or unspent during the financial		Amount Unspent (in ₹)			
		Total Amount Spent for the Financial Year (in ₹)	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)	
			Amount	Date of Transfer	Amount	Date of transfer
		46,63,267/-	Nil	NA	Nil	NA
	(b) Amount spent against ongoing projects for the FY 2020-21	NIL				
	(c) Amount spent against other than ongoing projects for the FY 2020-21	Please find the Table A attached hereunder				
	(d) Amount spent on administrative overheads	NIL				

(e) Amount spent on Impact Assessment, if applicable	NIL
(f) Total amount spent for FY2020-21	₹46,63,267/-
(g) Excess amount for set off, if any	NIL
9. (a) Details of Unspent CSR amount for the preceding three financial years.	NIL and no provision created in the books of accounts
(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s).	NIL
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year	NIL
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).	The company has duly spent the two percent of the average net profit as per Section 135(5) on CSR during the FY 2020-21.

Table A-Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	Mode of implementation - Through implementing agency	
S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project State District	Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Name	CSR Reg. No.
1	Abirami	Education	No	Nagore, Nagapattinam, Tamil Nadu	10,000	Direct		NA
2	Badrinarayan Chandak	Covid relief	Yes	Hyderabad, Telangana	1,68,000	Direct		NA
3	Foundation Of His Sacred Majesty	Health	Yes	Hyderabad, Telangana	22,78,133	Direct		NA
4	Helping Hand Foundation	Covid relief	Yes	Hyderabad, Telangana	5,00,000	Direct		NA
5	MD Nishak	Weaver community development	No	Rajouli, Nawada, Bihar	72,000	Direct		NA
6	Paramhams Bhagathlal	Education	Yes	Hyderabad, Telangana	15,000	Direct		NA
7	Seva Bharathi	Covid relief	Yes	Hyderabad, Telangana	1,26,315	Direct		NA
8	Reppalle Giddanna	Weaver community development	No	Rajouli, Nawada, Bihar	42,000	Direct		NA
9	Gati Government High School and Zilla Parishad High School	Education	Yes	Hyderabad, Telangana	12,51,819	Direct		NA
10	Seva Bharathi - Run For Girl Child	Women empowerment	Yes	Hyderabad, Telangana	2,00,000	Direct		NA
TOTAL					46,63,267			

Adarsh Hegde

Chairman and Managing Director
DIN: 00035040

Kazuhisa Kawamura

Chairman, CSR Committee
DIN: 03487832

Place: Hyderabad
Date: May 18, 2021

Annexure – B

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2021

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	:	U62200TG2007PTC056311
ii)	Registration Date	:	November 14, 2007
iii)	Name of the Company	:	Gati-Kintetsu Express Private Limited
iv)	Category / Sub-Category of the Company	:	Company limited by shares, Indian Non-Government Company.
v)	Address of the Registered Office and Contact details	:	First Floor, Plot No. 20, Sy. 12, Kothaguda, Kondapur, Hyderabad - 500 084. Tel. No. 040 – 71204284, Fax No. 040-2311 2318 Email id: investor.services@gati.com Website: www.gatikwe.com
vi)	Whether listed Company	:	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Link Intime India Private Limited C -101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Maharashtra Contact No.: 18003454001

II. PRINCIPLE BUSINESS ACTIVITY OF THE COMPANY

S. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1)	Cargo handling incidental to land & air transport	52241, 52243	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1)	Gati Ltd., Plot No.20, Sy. No.12, Kothaguda, Kondapur, Hyderabad-500084.	L63011TG1995PLC020121	Holding	70	2(46)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise shareholding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A Promoters									
(1) Indian									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	3,50,000	3,50,000	70.00	-	3,50,000	3,50,000	70.00	-

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other (Trusts)	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	-	3,50,000	3,50,000	70.00	-	3,50,000	3,50,000	70.00	-
(2) Foreign									
a) NRI - Individual	-	-	-	-	-	-	-	-	-
b) Other - Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoter (A) =(A)(1) + (A)(2)	-	3,50,000	3,50,000	70.00	-	3,50,000	3,50,000	70.00	-
B Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)	-	-	-	-	-	-	-	-	-
(2) Non-Institutional									
a) Bodies Corporate									
i) Indian	-	20,000	20,000	4.00	-	20,000	20,000	4.00	-
ii) Overseas	-	1,30,000	1,30,000	26.00	-	1,30,000	1,30,000	26.00	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	-	1,50,000	1,50,000	30.00	-	1,50,000	1,50,000	30.00	-
Total Public shareholding (B) = (B)(1) + (B)(2)	-	1,50,000	1,50,000	30.00	-	1,50,000	1,50,000	30.00	-
C Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	5,00,000	5,00,000	100.00	-	5,00,000	5,00,000	100.00	-

ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the Company	% of shares pledged / encumbered to the total shares	
Gati Limited	3,50,000	70.00	-	3,50,000	70.00	-	-
Total	3,50,000	70.00	-	3,50,000	70.00	-	-

iii) Change in Promoter's Shareholding (please specify if there is no change)

There is no change in the Promoter Shareholding during the financial year 2020-21.

iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date wise increase / (decrease) in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)			Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Date	No. of shares	Nature	No. of shares	% of total shares of the Company
1	KWE-Kintetsu World Express (S) Pte Ltd.	1,30,000	26.00	-	-	-	1,30,000	26.00
2	Kintetsu World Express (India) Pvt Ltd.	20,000	4.00	-	-	-	20,000	4.00

v) Shareholding of Directors and Key Managerial Personnel

S. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Date wise increase / (decrease) in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)			Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Date	No. of shares	Nature	No. of shares	% of total shares of the Company
None of the Directors and Key Managerial Personnel hold any shares in the Company.								

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans*	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial Year				
i) Principal Amount	20,682	5,602	-	26,284
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	55	-	-	55
Total (i+ii+iii)	20,737	5,602	-	26,339
Change in Indebtedness during the financial year*				
Addition	2,708	456	-	3,164
Reduction	(6,782)	(856)	-	(7,638)
Net Change	(4,074)	(400)	-	(4,474)
Indebtedness at the end of the financial Year				
i) Principal Amount	16,608	5,202	-	21,810
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	19	-	-	19
Total (i+ii+iii)	16,627	5,202	-	21,829

*The above includes lease liability of ₹ 5,202 lakhs.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration of Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Mr. Mahendra Agarwal, Ex-Chairman and Managing Director#	Mr. Bala Aghoramurthy, Dy. Managing Director	Mr. Adarsh Hegde, Chairman and Managing Director*	Total
1	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	118.75	264.99	79.50	463.24
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961.	13.34	6.09	-	19.43
	c) Profit in lieu of salary 17(3) of the Income Tax Act, 1961.	-	-	-	-
2	Stock Option (no. of options)	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as a % of profit - others, specify	-	-	-	-
5	Others (Car and other related expenses, Insurance, Club, etc. and retiral benefits)	19.43	22.04	7.04	48.51
	Total (A)	151.52	293.12	86.54	531.18
	Ceiling as per the Act	120.62	121.42	121.42	

*Mr. Adarsh Hegde has been appointed as the Chairman and Managing Director of the Company w.e.f October 05, 2020.

Mr. Mahendra Agarwal has resigned as the Chairman and Managing Director of the Company w.e.f September 28, 2020.

B. Remuneration to other Directors

(₹ in Lakhs)

S no	Particulars of Remuneration	Name of the Directors					Total
		Sheela Bhide	R. Ramachandran	Kok Seng Tan	MP Bansal*	Kazuhisa Kawamura	
1	Independent Directors						
	Fee for attending board / committee meetings	2.5	2.5	-	0.45	-	5.45
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	2.5	2.5	-	0.45	-	5.45
2	Other Non-Executive Directors						
	Fee for attending board / committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total B = (1+2)	2.5	2.5	-	0.45	-	5.45
	Total Managerial Remuneration						-
	Ceiling as per the Act						

*Mr. MP Bansal was appointed as a Director w.e.f October 05, 2020 and resigned w.e.f March 04, 2021.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

S. No	Particulars of Remuneration	Rohan Mittal, Chief Financial Officer*	TS Maharani, Company Secretary
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17 (2) Income tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option (nos.)	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profits	-	-
	- others, specify	-	-
5	Others, please specify – (Gratuity, Provident & Superannuation funds)	-	-
	Total	-	-

* Mr. Rohan Mittal was appointed as the Chief Financial Officer of the Company w.e.f November 02, 2020.

D. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no penalties, Punishment or Compounding of offences during the year ended March 31, 2021.

Annexure – C

FORM NO. MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT

For the Financial Year Ending 31st March 2021

To
The Members,
Gati-Kintetsu Express Private Limited
Hyderabad.

We have conducted the Secretarial Audit pursuant to Section 204 of the Companies Act, 2013, on the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Gati-Kintetsu Express Private Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Corporate Conducts/Statutory Compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iii) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') shall not apply to the Company being an unlisted company

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to the Board and General Meeting.
- (ii) Other Specifically applicable laws to the Company in respect of which we relied on the Internal Audit report and noted relevant compliances and observations made by the Internal Auditor:
 - (a) Carriage of Goods by Road Act, 2007
 - (b) Carriage of Goods by Air Act, 1972
 - (c) Carriage of Goods by Sea Act, 1925
 - (d) Motor Transport Workers Act, 1961
 - (e) Motor Vehicles Act, 1988
 - (f) Fatal Accidents Act, 1855
 - (g) The Factories Act, 1948
 - (h) Multimodal Transportation of Goods Act, 1993
 - (i) Railway Act, 1989
 - (j) The Air (Prevention and Control of Pollution) Act, 1981
 - (k) The Water (Prevention and Control of Pollution) Act, 1974
 - (l) Control of National Highways (Land and Traffic) Act, 2002

We further report that

- (i) based on the information provided by the Company, its officers and its authorised representatives during the conduct of the audit and also on review of quarterly reports by respective Department Heads/Company Secretary/ Directors taken on record by the Board of Directors of the Company, adequate systems and processes and control mechanism exist in the company to monitor and ensure the compliance of with the applicable general laws like labour laws, competition law and environment laws.

- (ii) the Compliance by the Company of applicable financial laws like direct and indirect laws has not been reviewed in this Audit since the same have been subject to review by Statutory Financial Audit and Other designated professionals.
- (iii) the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- (iv) adequate notice is given to all Directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent electronically well in advance or shorter consent were taken in other cases, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (v) all the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that,

- ***The composition of Nomination and Remuneration Committee and Audit Committee of the Company did***

not satisfy with the provisions of Section 177 and 178 of Companies Act, 2013 w.e.f. 05th December, 2019 post resignation of one of the Independent Director and the committee was duly re-constituted in compliance with the applicable laws only on October 5, 2020.

We further report that

- (i) there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- (ii) there were no specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs except as reported in the Financial Audit Report:

For **Puttaparthi Jagannatham & Co.**

Navajyoth Puttaparthi
Practicing Company Secretary
COP No: 16041
FCS NO: 9896

Place: Hyderabad
Date: 18th May, 2021
UDIN: F009896C000341865

*This report is to be read with our letter with given date which is annexed as '**Annexure A**' and forms an integral part of this report.

'ANNEXURE A'

To
The Members,
Gati-Kintetsu Express Private Limited
Hyderabad.

Our report with given date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Puttaparthi Jagannatham & Co.**

Navajyoth Puttaparthi
Practicing Company Secretary
COP No: 16041
FCS NO: 9896

Place: Hyderabad
Date: 18th May, 2021
UDIN: F009896C000341865

Annexure – D

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO [SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014]

A) CONSERVATION OF ENERGY:

Your Company continues to be conscious of the environmental impact of our business and continues to improve on its fuel efficiency through various initiatives in this area.

Further, the following measures are implemented continuously by the Company:

1. Vehicles were purchased in compliance with all latest regulations relating to pollution control and Bharat Stage (Euro) norms i.e. BS IV models.
2. Introduced Electric and CNG based vehicles for Last mile delivery
3. The strict periodical maintenance of Company's vehicles is done as per manufacturer's prescribed norms to ensure optimum fuel consumption & better vehicle maintenance.
4. Vehicles greater than five years old are being phased out and replaced with new standard BS model vehicles.
5. Drivers' training programs are being organized and conducted periodically to improve their driving skills, safe driving, better vehicle maintenance and improved fuel efficiency of vehicle.
6. Providing DIP i.e., Drivers Information Package which would educate them about Do's and Don'ts, RIC (Route Information card) and also Driver briefing session conducted regularly before departing the

vehicle & monitoring through Vehicle Tracking System

7. A centralized Operations Command Center (OCC) has been built to provide support to vehicles and drivers 24/7, 365 days.

B) TECHNOLOGY ABSORPTION:

During the financial year 2020-21, Gati IT launched 2 major customer centric projects **Whatsapp (Chatbot) and Revamped Customer Portal**.

Whatsapp (Chatbot): It is called **Genie** and it supports customers with useful features like -Shipment Tracking, Rate and Transit finder, Pickup Registration, Complaints and Feedback.

Customer Portal: The Company has revamped its customer portal for a better user experience and many enhanced features and facility for customers have been incorporated such as Shipment preparation / Upload, Pickup registration, Complaint registration, complete visibility around shipment status and Service Performance Report (SPR), Invoices, Proof of delivery downloads etc.

As another important milestone, the Company has selected Salesforce as its CRM for Sales and Customer Service functions and is in the process of implementing the same. The CRM rollout would go live by September'21.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

The company did not have any Foreign exchange earnings and outgo during the year 2020-21.

Independent Auditor's Report

To the Members of Gati Kintetsu Express Private Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Gati Kintetsu Express Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under 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 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 audit opinion on the financial statements.

Emphasis of Matter

We draw your attention to:

1. Note to 44(a) the financial statements, which states that managerial remuneration paid to two executive directors of the Company (including one executive director resigned in September 2020) for the year ended March 31, 2021 has exceeded the limit prescribed under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 275 lakhs. Pending necessary approvals for the excess remuneration from members of the company, no adjustment to the financial statements has been made.
2. Note 48 of the financial statement, which describes the extent to which Covid 19 pandemic will impact company's result which depend on the future developments that are highly uncertain.

Our opinion is not qualified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the 'Basis of Opinion' section above, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Sr. No. Key Audit Matter	How our audit addressed the key audit matters
<p>1 Impairment of Goodwill (See Note 5 to the financial statements)</p> <p>The Company holds goodwill of ₹ 12,506 lakhs on the statements of financial position.</p> <p>The determination of the recoverable amount of goodwill is a key judgment area as small changes in assumptions made, notably in respect of the future performance of the business and the discount rates applied to future cash flows projections can result in material different outcomes.</p>	<p>Our audit with respect to impairment testing of goodwill included the following:</p> <ul style="list-style-type: none"> • Engaging internal fair valuation experts to challenge management's underlying assumptions and appropriateness of the valuation model used. • Comparing the Company's assumptions with comparable benchmarks in relation to key inputs such as long-term growth rates and discount rates. • Assessing the appropriateness of the forecasted cash flows within the budgeted period based on their understanding of the business and sector experience.
<p>2 Recoverability of Trade Receivable (See Note 12 to the financial statements)</p> <p>The gross balance of trade receivables as at March 31, 2021 amounted to ₹ 21,443 lakhs.</p> <p>Due to the inherent subjectivity that is involved in making judgments in relation to credit risk exposures to determine the recoverability of trade receivables, it is considered a key audit matter.</p>	<p>Our audit with respect to determining recoverability of Trade Receivables included the following:</p> <ul style="list-style-type: none"> • Evaluating the Company's processes and controls relating to the monitoring of trade receivables and review of credit risks of customers. • Examination of management's assessment of the credit review procedures of trade receivables, obtaining trade receivable confirmations, and mapping receipts from the trade receivables after the year end on test basis. • Evaluation of management's assumptions used to determine the expected credit loss on the trade receivables, through detailed analyses of ageing of receivables to historical patterns of receipts, assessment of material overdue individual trade receivables and risks specific to the trade receivable.
<p>3 Reasonableness of carrying amount of Assets held for sale (See Note 17 to the financial statements)</p> <p>The Company has classified assets earmarked for disposal as Assets held for sales. Assets held for sales carried at fair value have been estimated using significant unobservable input including non-binding offers from and negotiation held with prospective buyers as a result of which fair value is sensitive to change in input assumption.</p>	<p>Our audit with respect to determining carrying value of Assets held for sales included the following:</p> <ul style="list-style-type: none"> • Evaluating the Company's processes and controls relating to the classification and valuation of assets held for sale • Examination of management's assessment of expectation of outcome of negotiation with prospective buyer. • Review of independent valuation report of independent external valuer

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual 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 such 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.

Management's Responsibility for the Financial Statements

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

of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the 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 the 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, management 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.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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 on the basis of 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:

- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal

financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, 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, 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 Company to cease to continue as a going concern.
- 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, 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 those charged with governance 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. 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 Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143 (3) of the Act, based on our Audit, 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the relevant rules thereon.
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act
 - (f) With respect to the adequacy of the internal financial controls over financial reporting with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" of this report.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the

requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act except managerial remuneration paid to two executive directors of the Company (including one executive director resigned in September 2020) which is in excess of the limit prescribed under Schedule V of the Companies Act, 2013 by ₹ 275 Lakhs for the financial year 2020-21, which is subject to the approval of shareholders in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

- (h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Note 37(i) and 45 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to investor education and protection fund by the company.

For Singhi & Co.

Chartered Accountants
Firm's Registration No. 302049E

(Anurag Singhi)

Partner

Date: May 18, 2021

Place: Kolkata

Membership No. 066274

UDIN: 21066274AAAABD6594

Annexure – A to the Independent Auditor’s Report

(Referred to in paragraph 1 under the heading ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

We report that:

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- b) As per the information and explanations given to us, physical verification of property, plant and equipment have been carried out in terms of the phased program of its verification adopted by the Company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to size of the Company and nature of its business.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as disclosed in Note 4(a) on Property Plant and Equipment to the financial statements, are held in the name of the Company, except in respect of one Building (Located at Pune) having gross block of ₹ 194.5 lakhs and net block of ₹ 160.46 lakhs, the title deeds of which are held in the name of erstwhile companies, which were acquired from the Holding Company under a Business Transfer Agreement in the financial year 2011 - 12.
- ii. The company is a service company and 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 and audit procedure performed by us the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3(iii), 3(iii) (a) to 3(iii) (c) of the said Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments made and providing guarantees and securities.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits covered under sections 73 to 76 of the Companies Act and the rules framed there under with regard to deposits accepted from the public during the year. Accordingly, paragraph 3(v) of the order is not applicable.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the company examined by us, except for dues in respect of professional tax and provident fund, the company is generally regular in depositing undisputed statutory dues, including Employees’ State Insurance, Income-tax, Goods and Services Tax, duty of customs, cess and other material statutory dues, as applicable, to the appropriate authorities.

There are no arrears in respect of the aforesaid dues as at March 31, 2021 for a period of more than six months from the date they became payable except professional tax of ₹ 0.16 lakhs and provident fund of ₹ 0.52 lakhs which are due for more than 6 months.
- b) According to the information and explanations given to us, and the records of the Company examined by us, there are no dues of goods and service tax, duty of customs, duty of excise, service tax and value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax and sales tax, as at March 31, 2021 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of Dues	Amount in lakhs (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	391.41	2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19	Income Tax Appellate Tribunal, Commissioner (Appeals)
Indirect Tax	Sales tax	322.6	2013-14, 2014-15, 2015-16, 2016-17, 2017-18	Assistant Comm, Commercial Tax, Mobile Squad Unit-4 Commercial Tax Mathura

- viii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank or Government. The Company had neither any outstanding debenture at the beginning of the year nor has it issued any debenture during the year.
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanation given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act except managerial remuneration paid to two executive directors of the Company (including one executive director resigned in September 2020) for the year which is in excess of the limit prescribed under Schedule V of the Companies Act, 2013 by ₹ 275 lakhs for the financial year 2020-21, which is subject to the approval of shareholders in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 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 given 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. Accordingly, paragraph 3 (xiv) of the order is not applicable to the company.
- 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-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the order is not applicable to the company.

For Singhi & Co.

Chartered Accountants
Firm's Registration No. 302049E

(Anurag Singhi)

Partner

Membership No. 066274
UDIN: 21066274AAAABD6594

Date: May 18, 2021

Place: Kolkata

Annexure – B to the Independent Auditor’s Report

(Referred to in paragraph 2 (f) under the heading ‘Report on Other Legal and Regulatory Requirements’ section of our report 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 with reference to financial statements of Gati Kintetsu Express Private Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s management 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 the 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 with reference to these financial statements 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 the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls over financial

reporting with reference to these financial statements, 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 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 qualified audit opinion on the Company’s internal financial controls with reference to these financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company’s internal financial control with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control with reference to these financial statements 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

BASIS OF QUALIFIED OPINION

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2021:

- a. The company's internal financial control related to contract revenue mapping in the Information technology system is not operating effectively and resulting in inadequate control over these processes. Management has represented that the remediation plan and necessary implementation steps have been taken.
- b. The company did not have an effective integration between various functional software relating to sales and expenses with the accounting software resulting in weak internal control and reconciliation differences in Control Accounts in areas of trade receivables, trade payables, security deposits and operational advances.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

QUALIFIED OPINION

In our opinion, except for the possible effects of the material weakness described in the 'Basis of Qualified Opinion' section above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 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.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2021 financial statements of the Company, and the material weakness does not affect our opinion on the financial statements of the Company.

For Singhi & Co.

Chartered Accountants
Firm's Registration No. 302049E

(Anurag Singhi)

Partner

Membership No. 066274

UDIN: 21066274AAAABD6594

Date: May 18, 2021
Place: Kolkata

Balance Sheet

as at March 31, 2021

(₹ in lakhs)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
NON CURRENT ASSETS			
Property, Plant and Equipment	4A	7,646	21,054
Right-of-use Asset	4B	5,460	6,428
Goodwill	5	12,506	12,506
Other Intangible Assets	6	549	345
Intangible Assets under Development	7	-	207
Financial Assets			
Loans	8	449	465
Deferred Tax Assets (Net)	9	2,423	623
Non Current Tax Asset (Net)	10	7,596	7,669
Other Non-Current Assets	11	51	66
		36,680	49,363
CURRENT ASSETS			
Financial Assets			
Loans	8	2,581	2,841
Trade Receivables	12	18,441	20,240
Cash and Cash Equivalents	13	3,014	1,913
Bank Balances other than above	14	1,082	928
Other Financial Assets	15	310	896
Other Current Assets	16	3,083	1,553
Assets Classified - Held For Sale	17	7,470	-
		35,981	28,371
TOTAL ASSETS		72,661	77,734
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	18	50	50
Other Equity	19	29,889	34,501
TOTAL EQUITY		29,939	34,551
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	20	1,113	4,695
Lease Liabilities	21	4,942	5,806
Provisions	22	1,064	754
		7,119	11,255
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	23	14,265	12,496
Lease Liabilities	21	1,122	960
Trade Payables	24		
(a) Total outstanding dues of Micro and Small Enterprises		343	110
(b) Total outstanding dues of creditors other than Micro and Small Enterprises		7,950	8,618
Other Financial Liabilities	25	6,466	6,237
Other Current Liabilities	26	5,080	3,331
Provisions	27	377	176
		35,603	31,928
TOTAL LIABILITIES		42,722	43,183
TOTAL EQUITY AND LIABILITIES		72,661	77,734

Significant accounting policies and key accounting estimates and judgements 3

The accompanying significant accounting policies and notes form an integral part of the Financial Statements

As per our report of even date

For Singhi & Co.

Chartered Accountants
ICAI Firm Registration No: 302049E

Anurag Singhi

Partner
Membership no: 066274

Place: Kolkata
Date: May 18, 2021

For and on behalf of the Board of Directors

Adarsh Hegde

Chairman & Managing Director
DIN: 00035040

Rohan Mittal

Chief Financial Officer

Place: Hyderabad
Date: May 18, 2021

T S Maharani

Company Secretary
M No. F8069

Statement of Profit and Loss

for the year ended March 31, 2021

Particulars	Notes	(₹ in lakhs)	
		Year ended March 31, 2021	Year ended March 31, 2020
(I) INCOME			
Revenue from Operations	28	1,01,185	1,15,943
Other Income	29	496	460
TOTAL INCOME (I)		1,01,681	1,16,403
(II) EXPENSES			
Operating Expenses	30	70,150	81,256
Employee Benefits Expense	31	15,084	15,480
Finance Costs	32	2,582	2,892
Depreciation and Amortization Expense	33	3,136	3,244
Other Expenses	34	12,662	14,384
TOTAL EXPENSES (II)		1,03,614	1,17,256
(III) PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)		(1,933)	(853)
(IV) Exceptional Items	35	4,151	-
(V) PROFIT/(LOSS) BEFORE TAX (III-IV)		(6,084)	(853)
(VI) TAX EXPENSES	36		
Current Tax		-	117
Deferred Tax		(1,718)	(192)
TOTAL TAX EXPENSES		(1,718)	(75)
(VII) PROFIT/(LOSS) FOR THE YEAR (V-VI)		(4,366)	(778)
(VIII) OTHER COMPREHENSIVE INCOME (OCI)			
Items not to be reclassified to profit or loss in subsequent periods:			
a) Re-Measurement gains/(losses) on defined benefit plans		(329)	(106)
b) Income tax effect on above item		83	27
OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX)		(246)	(79)
(IX) TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VIII+VII)		(4,612)	(857)
EARNINGS PER EQUITY SHARE	43.		
[Nominal value per share ₹ 10/- (March 31, 2020: ₹ 10/-)]			
Basic (in ₹)		(873.23)	(155.50)
Diluted (in ₹)		(873.23)	(155.50)

Significant accounting policies and key accounting estimates and judgements 3

The accompanying significant accounting policies and notes form an integral part of the Financial Statements

As per our report of even date

For Singhi & Co.

Chartered Accountants
ICAI Firm Registration No: 302049E

Anurag Singhi

Partner
Membership no: 066274

Place: Kolkata

Date: May 18, 2021

For and on behalf of the Board of Directors

Adarsh Hegde

Chairman & Managing Director
DIN: 00035040

Rohan Mittal

Chief Financial Officer

Place: Hyderabad

Date: May 18, 2021

T S Maharani

Company Secretary
M No. F8069

Cash Flow Statement

for the year ended March 31, 2021

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(A) Cash flows from Operating Activities		
Profit/(Loss) Before Taxes and after exceptional items as per Statement of Profit and Loss	(6,084)	(853)
Adjustment for:		
Depreciation & Amortization expense	3136	3,244
Finance costs	2582	2,892
Loss on disposal of Property, Plant and Equipment(Net)	4225	36
Interest Income from deposits with Bank	(70)	(111)
Interest Income from unwinding of financial assets	-	(68)
Interest on Income tax refund	(277)	-
Allowance for Doubtful receivable	747	848
Allowance for other financial assets	219	219
Bad debts and irrecoverable balances written off	102	525
Allowance for Doubtful receivables - written back	(11)	(76)
Liabilities no longer required - written back	(99)	(230)
Operating profits before working capital changes	4470	6,426
(Increase) / Decrease in Trade Receivables	1,063	1,176
(Increase) / Decrease in Other Current Assets	(1,851)	385
(Increase) / Decrease in Other Current Financial Assets	862	(701)
(Increase) / Decrease in Other Non-Current Assets	30	583
Increase / (Decrease) in Other current Liabilities	1,749	463
Increase / (Decrease) in Trade Payables	(336)	(1,917)
Increase / (Decrease) in Short Term Provisions	202	(28)
Increase / (Decrease) in Other Current Financial Liabilities	2,188	152
Increase / (Decrease) in Non Current Provisions	(19)	(91)
Cash generated from operations	8,358	6,448
Direct Tax paid (net of refunds)	350	(2,423)
Net Cash Flows generated/(used) from Operating Activities	8,708	4,025
(B) Cash Flow from Investing Activities		
Interest Received	70	111
Proceeds from sale of Property Plant and Equipment	184	144
Proceeds from sale of Asset held for sale	278	-
Purchase of Property Plant and Equipment including Capital work in Progress and Capital Advances	(657)	(2,874)
Investment in Bank Fixed Deposits	(154)	92
Net Cash Flows (used in)/generated from Investing Activities	(279)	(2,527)
(C) Cash Flow from Financing Activities		
Proceeds of Long Term Borrowings	939	3,901
Repayment of Long Term Borrowings	(6,480)	(1,376)
Increase / (Decrease) in Short term Borrowings (net)	1,769	2,776
Finance cost	(1,788)	(2,046)
Payment of interest on lease liabilities	(794)	(846)
Payment of principal portion of lease liabilities	(974)	(801)
Dividend Paid including tax	-	(1,302)
Net Cash Flows (used in)/generated from Financing Activities	(7,328)	306
Net Increase / (Decrease) in cash and cash equivalents (A + B + C)	1,101	1,804
Cash and Cash equivalents at the beginning of the year	1,913	109
Cash and Cash equivalents at the end of the year	3,014	1,913

Cash Flow Statement

for the year ended March 31, 2021

Notes:

- The above Statement of Cash Flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.
- Component of Cash & Cash Equivalents:

Particulars	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Cash on Hand	20	40
Balances with Banks in Current Accounts	2,994	1,873
Cash & Cash Equivalent as per Balance sheet (refer note no 13)	3,014	1,913

Debt Reconciliation Statement in accordance with Ind AS 7

Particulars	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Opening Balances		
Non Current Borrowings	4,695	4,280
Movement		
Non Current Borrowings	(3,582)	415
Closing Balances		
Non Current Borrowings	1,113	4,695

Significant accounting policies and key accounting estimates and judgements 3

The accompanying significant accounting policies and notes form an integral part of the Financial Statements

As per our report of even date

For Singhi & Co.

Chartered Accountants
ICAI Firm Registration No: 302049E

Anurag Singhi

Partner
Membership no: 066274

Place: Kolkata

Date: May 18, 2021

For and on behalf of the Board of Directors

Adarsh Hegde

Chairman & Managing Director
DIN: 00035040

Rohan Mittal

Chief Financial Officer

Place: Hyderabad

Date: May 18, 2021

T S Maharani

Company Secretary
M No. F8069

Statement of Changes in Equity

for the year ended March 31, 2021

A) EQUITY SHARE CAPITAL

Particulars	No. of Shares	(₹ in lakhs)
		Amount
Balance as at March 31, 2019	5,00,000	50
Add/(Less): Changes in Equity Share Capital for the year ended March 31, 2020	-	-
Balance as at March 31, 2020	5,00,000	50
Add/(Less): Changes in Equity Share Capital for the year ended March 31, 2021	-	-
Balance as at March 31, 2021	5,00,000	50

B) OTHER EQUITY

Particulars	Reserves and Surplus			Total
	Securities Premium	General Reserve	Retained Earnings	
Balance as at March 31, 2019	17,836	1,720	17,104	36,660
Profit/(Loss) for the year	-	-	(778)	(778)
Final dividend on equity shares	-	-	(1,080)	(1,080)
Tax on dividend on equity shares	-	-	(222)	(222)
Remeasurement gain/(loss) (net of deferred tax)	-	-	(79)	(79)
Balance as at March 31, 2020	17,836	1,720	14,945	34,501
Profit/(Loss) for the year	-	-	(4,366)	(4,366)
Remeasurement gain/(loss) (net of deferred tax)	-	-	(246)	(246)
Balance as at March 31, 2021	17,836	1,720	10,333	29,889

The accompanying significant accounting policies and notes form an integral part of the Financial Statements

As per our report of even date

For Singhi & Co.

Chartered Accountants
ICAI Firm Registration No: 302049E

Anurag Singhi

Partner
Membership no: 066274

Place: Kolkata
Date: May 18, 2021

For and on behalf of the Board of Directors

Adarsh Hegde

Chairman & Managing Director
DIN: 00035040

Rohan Mittal

Chief Financial Officer

Place: Hyderabad
Date: May 18, 2021

T S Maharani

Company Secretary
M No. F8069

Notes to Financial Statements

for the year ended March 31, 2021

1) CORPORATE AND GENERAL INFORMATION:

Gati Kintetsu Express Private Limited ("the Company" or "Gkepl") was incorporated in 2007 under provisions of Companies Act, 1956 having its Registered and Corporate Office at Plot no.20, Survey no.12, Kothaguda, Kondapur, Hyderabad - 500 084, Telangana, India. The company is India's pioneer and leader in express distribution and supply chain solutions. The business was transferred from Gati Limited on April 1, 2012. Gati Limited the holding company holds 70% and Kintetsu world (KWE) Japan group, holds the balance. An intrinsic network that spans length and breadth of India - Gkepl has a reach of more than 99% of districts in India.

2) BASIS OF ACCOUNTING

2.1 Statement of Compliance

The financial statements are prepared in accordance with and in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read along with Companies (Indian Accounting Standards) Rules, as amended and other provisions of the Act. The presentation of the Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

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;
- Plan Assets under defined benefit plans - Measured at fair value;

2.3 Functional and Presentation Currency

All financial information presented in Indian rupees (INR) which is the Company's functional currency, has been rounded to the nearest lakhs, unless otherwise stated.

2.4 Use of Estimates and Judgements

The preparation of the Company's financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, income and expenses, the accompanying disclosures and disclosures of contingent liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these estimates and assumptions 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 used are as below:

- Defined benefit obligation
- Recognition of current tax and deferred tax
- Recognition and measurement of provisions and contingencies
- Fair value measurement of Financial instruments
- Provision for Doubtful Debts and advances
- Goodwill impairment

2.5 Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and unbilled revenues. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered.

The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

2.6 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.

Notes to Financial Statements

for the year ended March 31, 2021

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. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

2.7 Recent accounting pronouncements - issued but not yet effective

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through notification amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:-

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible assets under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Current maturities of Long-term borrowings shall be disclosed separately under the heading Short Term Borrowings.
- Security Deposits to be shown under the head of Other Non-Current Assets instead of Long-term Loans & Advances.

- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Ratios-Following Ratios to be disclosed: -
 - (a) Current Ratio, (b) Debt-Equity Ratio, (c) Debt Service Coverage Ratio, (d) Return on Equity Ratio, (e) Inventory turnover ratio, (f) Trade Receivables turnover ratio, (g) Trade payables turnover ratio, (h) Net capital turnover ratio, (i) Net profit ratio, (j) Return on Capital employed, (k) Return on investment.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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

Recognition and Measurement:

- Property, plant and equipment (PPE) held for use in the 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) 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.

Notes to Financial Statements

for the year ended March 31, 2021

Capital work in progress and Capital Advances:

Capital work-in-progress represents Property, Plant and Equipment that are not yet ready for their intended use as at the Balance sheet date. Capital advances given towards purchase/ acquisition of PPE outstanding at each balance sheet date are disclosed separately as Other Non-current Assets.

Non-current assets held for sale

Non-current assets held for sale are presented separately in the Balance Sheet when the following criteria are met

- the Company is committed to selling the assets;
- the assets are available for sale immediately;
- an active plan of sale has commenced; and
- sale is expected to be completed within 12 months.

Assets held for sale and disposal groups are measured at the lower of their carrying amount and fair value less cost to sell. Assets held for sale are no longer amortised or depreciated.

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.

Depreciation and Amortisation:

- Depreciation on tangible assets is provided on straight-line method at the rates determined based on the useful lives of respective assets as prescribed under Schedule II of the Companies act, 2013.
- Freehold land is not depreciated.
- Intangible assets are amortised on straight line basis over its estimated useful life.
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate.

- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed-off).

De-recognition 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 is recognized in the statement of profit and loss.

3.2 Intangible Assets:

Intangible assets are stated at acquisition cost net of accumulated amortisation or cumulative impairment, if any. The Company capitalizes identifiable costs relating to development of internally generated software and these are stated net of accumulated amortisation.

Intangible assets under development comprise costs relating to development of software that are not yet ready for their intended use as at the balance sheet date.

The carrying amount of the intangible asset is derecognized on disposal or when no future economic benefit is expected from its use. Any gain or loss is recognized in the statement of Profit and loss.

3.3 Lease

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use Assets (ROU Assets)

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Notes to Financial Statements

for the year ended March 31, 2021

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 3.4 Impairment of assets.

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of properties, machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases

of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.4 Impairment of assets:

- a) The Company assesses at each reporting date whether there is any indication that an asset (tangible or intangible), may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units (CGU) net selling price and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased and such reversal is recorded in the Statement of Profit and Loss.
- b) Assets that are subject to depreciation and amortisation are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.
- c) An entity shall test an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment, irrespective of whether there is any indication of impairment. This impairment test may be performed at any time during the year, provided it is performed at the same time every year.

3.5 Foreign currency Transactions:

- a) The financial statements are presented in Indian Rupee (INR), which is the functional and presentation currency of the Company.
- b) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction.
- c) At each balance sheet date, foreign currency monetary items are restated using the closing exchange rate.

Notes to Financial Statements

for the year ended March 31, 2021

- d) Any exchange difference on account of settlement of foreign currency transactions and restatement of monetary assets and liabilities denominated in foreign currency is recognized in the Statement of Profit and Loss.
- e) Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.6 Revenue recognition:

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to the performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various elements like discounts etc. offered by the company as part of the contract. The variable consideration is estimated based on the expected value of outflow.

a) Rendering of services:

Income from logistics services rendered are recognized when control over the services transferred to the customer i.e. when the customer has the ability to control the use of the transferred services as per the terms of contract. Revenue is recognized at the fair value of consideration received or receivable, to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

b) Others:

- I. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and amount of income can be measured reliably.
- II. Rent income is recognised on a straight-line basis over the period of the lease.

3.7 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:

- Amortized Cost; or

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

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the company changes its business model for managing financial assets. In the case of financial assets, not recorded at fair value through profit or loss (FVPL), financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

• 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.

Notes to Financial Statements

for the year ended March 31, 2021

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 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 de-recognition is recognized in Statement of Profit and Loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized 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 recognized in OCI and are not reclassified to Statement of Profit and Loss.
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.

(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.

b) Financial guarantee liability:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognized initially as a liability at fair value net off transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortisation.

(iii) Impairment of Financial Assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

Notes to Financial Statements

for the year ended March 31, 2021

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates to determine impairment loss allowance on portfolio of its trade receivables.

(iv) De-recognition:

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.

(v) Offsetting:

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet, when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net

basis or to realize the asset and settle the liability simultaneously.

3.8 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.

3.9 Employee benefits:

a) Defined contribution plan:

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive

Notes to Financial Statements

for the year ended March 31, 2021

obligation to pay further amounts. The Company makes specified monthly contributions of employee provident fund to Government administered provident fund and Employee State insurance scheme which is defined contribution plans. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the statement of Profit and Loss in the periods during which the related services are rendered by employees.

b) Defined benefit plan:

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in Other comprehensive income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately

in Statement of profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The contributions are deposited with the Life Insurance Corporation of India based on information received by the Company. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognized in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested.

c) Compensated absences:

As per policy of the Company, employees can carry forward unutilized accrued compensated absences and utilize it in next service period or receive cash compensation. Since the compensated absences fall due wholly within twelve months after the end of the period in which the employees render the related service and are also expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a current employee benefit. The Company records an obligation for such compensated absences in the year in which the employee renders the services that increase this entitlement.

The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the Statement of Profit and Loss.

d) Short-term employee benefit:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

3.10 Income taxes:

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

Notes to Financial Statements

for the year ended March 31, 2021

a) Current tax:

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

b) Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

3.11 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.

3.12 Provisions and Contingencies:

Provisions are recognized when the Company has a present obligation 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.

A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised till the realisation of the income is virtually certain. However, the same are disclosed in the financial statements where an inflow of economic benefits are possible.

3.13 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 recognised as an expense in the period in which they are incurred.

Where there is an unrealized exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealized 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.

3.14 Segment Reporting:

Segments are identified based on the manner in which the Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance. Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property and equipment and intangible assets other than goodwill.

3.15 Earnings per share:

(i) Basic earnings per share

Basic earnings per share are calculated by dividing the net profit or loss before Other Comprehensive Income for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

(ii) Diluted earnings per share:

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Notes to Financial Statements

for the year ended March 31, 2021

4A. PROPERTY, PLANT AND EQUIPMENT TANGIBLE ASSETS

Particulars	Gross Block			Accumulated Depreciation			Net Carrying Value			
	As at March 31, 2020	Additions	As at March 31, 2021	Deductions/ Adjustment	As at March 31, 2021	Depreciation for the year	Assets Reclassified to held for sale	Deductions/ Adjustment	As at March 31, 2021	As at March 31, 2020
Freehold Land	8,885	-	2,369	-	-	-	-	-	2,369	8,885
Buildings	4,543	-	800	-	82	82	600	-	133	667
Vehicles	4,388	-	879	1,131	434	434	531	489	346	3,456
Plant & Machinery	4,029	278	4,306	1	305	305	-	1	2,122	2,211
Computer	3,967	85	3,476	576	483	483	-	575	2,857	619
Furniture And Fittings	3,018	64	3,082	-	239	239	-	-	2,092	990
Office Equipment	2,122	57	2,169	10	200	200	-	10	1,885	284
Total	30,952	484	17,081	1,718	1,743	1,743	1,131	1,075	9,435	7,646

Particulars	Gross Block			Accumulated Depreciation			Net Carrying Value			
	As at March 31, 2019	Additions	As at March 31, 2020	Deductions/ Adjustment	As at March 31, 2020	Depreciation for the year	Reclassified on account of adoption of Ind AS 116	Deductions/ Adjustment	As at March 31, 2020	As at March 31, 2019
Freehold Land	8,885	-	8,885	-	-	-	-	-	-	8,885
Buildings	4,557	-	4,543	14	87	87	-	1	651	3,992
Vehicles	3,007	1,949	4,388	568	357	357	-	439	932	3,456
Vehicles - under Finance Lease	1,384	-	-	-	154	-	154	-	-	1,230
Plant & Machinery	3,622	428	4,029	21	350	350	-	10	1,818	2,211
Computer	3,479	749	3,967	261	521	521	-	246	2,949	1,018
Computers - under Finance Lease	346	-	-	-	80	-	80	-	-	266
Furniture And Fittings	2,810	208	3,018	-	376	376	-	-	1,853	1,165
Office Equipment	2,013	110	2,122	1	207	207	-	1	1,695	427
Total	30,103	3,444	30,952	865	1,898	1,898	234	697	9,898	21,171

Notes:

- The amount of Contractual commitments for acquisition of property, plant and equipment is disclosed in Note. 37(II)(a)
- Refer Note 20, 21, 23 and Note 25 for information on Property, Plant and Equipment pledged as securities by the Company.
- The Company has not capitalized any borrowing cost during the year. (March 31, 2020 - Nil)
- The company has decided to provide 100 per cent depreciation on the assets having written down value below ten thousand rupees, it has an impact of ₹ 81 lakh.
- Refer note 46 for detailed information on assets held for sale.

Notes to Financial Statements

for the year ended March 31, 2021

4B RIGHT OF USE ASSETS (ROU)

Particulars	Gross Block			Accumulated Amortization			Net Carrying Value		
	As at March 31, 2020	Additions	Deductions/ Adjustment	As at March 31, 2021	As at March 31, 2020	Amortization for the year	Deductions/ Adjustment	As at March 31, 2021	As at March 31, 2020
Buildings	6,124	456	205	6,375	936	992	32	1,896	5,188
Vehicles	1,367	-	32	1,335	323	170	13	480	1,044
Computers	346	-	-	346	150	70	0	220	196
Total	7,837	456	237	8,056	1,409	1,232	45	2,596	6,428

Particulars	Gross Block			Accumulated Amortization			Net Carrying Value		
	As at March 31, 2019	Additions	Deductions/ Adjustment	As at March 31, 2020	As at March 31, 2019	Amortization for the year	Deductions/ Adjustment	As at March 31, 2020	As at March 31, 2020
Buildings	6,124	-	-	6,124	-	936	-	936	5,188
Vehicles*	1,384	-	17	1,367	154	173	4	323	1,044
Computers*	346	-	-	346	80	70	-	150	196
Total	7,854	-	17	7,837	234	1,179	4	1,409	6,428

* Opening balances reclassified on adoption of Ind AS 116.

Notes:

- The aggregate depreciation expenses on Right of use Assets (ROU) is included under depreciation and amortization expenses in Statement of Profit and Loss.
- The company's obligation under leases are secured by lessor's title to leased assets.

5. GOODWILL

Particulars	Gross Goodwill		Net Goodwill	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Goodwill	12,506	12,506	12,506	12,506
Total	12,506	12,506	12,506	12,506

Notes to Financial Statements

for the year ended March 31, 2021

6. OTHER INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Gross Block			Accumulated Amortization			Net Carrying Value			
	As at March 31, 2020	Additions	Deductions/ Adjustment	As at March 31, 2021	As at March 31, 2020	Depreciation for the year	Deductions/ Adjustment	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Computer	1,276	365	-	1,641	931	161	-	1,092	549	345
Software										
Total	1,276	365	-	1,641	931	161	-	1,092	549	345

(₹ in lakhs)

Particulars	Gross Block			Accumulated Amortization			Net Carrying Value			
	As at March 31, 2019	Additions	Deductions/ Adjustment	As at March 31, 2020	As at March 31, 2019	Depreciation for the year	Deductions/ Adjustment	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Computer	1,053	223	-	1,276	764	167	-	931	345	289
Software										
Total	1,053	223	-	1,276	764	167	-	931	345	289

Notes:

- The amount of Contractual commitments for acquisition of Intangible Assets is disclosed in Note. 37(II)(a)
- The Company has not capitalized any borrowing cost during the year. (March 31, 2020 - Nil)
- The company has decided to provide 100 per cent amortization on the assets having written down value below ten thousand rupees, it has an impact of ₹ 1 lakh.

7. INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
	-	207
	-	207
Notes:		
Expenses during the year capitalized in respect of Intangible Assets under Development.		
a) Employee Benefit Expenses	-	110
b) Other Expenses	-	97
	-	207

8. LOANS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
(Unsecured, Considered Good)		
Non Current		
Security Deposit with Others	449	465
Total (A)	449	465
Current		
Security Deposit with Holding company	575	719
Security Deposit with Others	2,006	2,122
Total (B)	2,581	2,841
Grand Total	3,030	3,306

Notes to Financial Statements

for the year ended March 31, 2021

9. DEFERRED TAX ASSETS (NET)

Deferred Tax Assets (Net)

	As at March 31, 2021	As at March 31, 2020
Deferred Tax Assets (Net)	2,423	623
	2,423	623

(₹ in lakhs)

9.1 Movement in Deferred Tax Assets and Liabilities during the year ended March 31, 2020 and March 31, 2021

Deferred Tax Balance in relation to	As at March 31, 2020	Recognised In Statement of Profit & Loss	Recognised In Other Comprehensive Income (OCI)	As at March 31, 2021
Deferred Tax Assets/(Liabilities)				
Property, plant and equipment	(552)	1,269	-	717
Allowances for Doubtful Receivables	802	233	-	1,034
Employee benefits - Gratuity and Leave Encashment	307	(14)	83	376
Other temporary Differences	66	230	-	296
Deferred Tax Assets/(Liabilities)	623	1,718	83	2,423

(₹ in lakhs)

Deferred Tax Balance in relation to	As at March 31, 2019	Recognised In Statement of Profit & Loss	Recognised In Other Comprehensive Income (OCI)	As at March 31, 2020
Deferred Tax Assets/(Liabilities)				
Property, plant and equipment	(691)	140	-	(552)
Allowances for Doubtful Receivables	718	83	-	802
Employee benefits - Gratuity and Leave Encashment	381	(101)	27	307
Other temporary Differences	(5)	70	-	66
Deferred Tax Assets/(Liabilities)	403	192	27	623

(₹ in lakhs)

10. NON CURRENT TAX ASSET (NET)

	As at March 31, 2021	As at March 31, 2020
Tax Deducted at Source	14,439	14,512
Advance Tax	1,211	1,211
	15,650	15,723
Less: Provision for Income Tax	(8,054)	(8,054)
Total	7,596	7,669

(₹ in lakhs)

11. OTHER NON-CURRENT ASSETS

	As at March 31, 2021	As at March 31, 2020
Capital Advances		
Unsecured, considered good	33	19
Unsecured, considered doubtful	59	59
	92	78
Less: Provision for doubtful advances	59	59
	33	19
Total (A)	33	19
Deposit with Banks more than 12 months (Margin money)	-	17
Prepaid Expenses	18	30
Total (B)	18	47
Total (A) + (B)	51	66

(₹ in lakhs)

Notes to Financial Statements

for the year ended March 31, 2021

12. TRADE RECEIVABLES

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Unsecured		
Considered good (Including from Holding Company ₹ 77 lakhs, 31 March 2020 - ₹ 4,052 lakhs)	18,441	20,240
Significant increase in credit risk	-	-
Credit impaired	3,002	2,266
Total	21,443	22,506
Less: Allowances for Doubtful Receivables (Refer Note 41B (i))	(3,002)	(2,266)
Total	18,441	20,240

Note:

- i) No Trade receivables are due from directors and other officers of the company either severally or jointly with any other person.
- ii) For details of debts due from firms or private companies in which any director is a partner, a director or a member, refer Note 49 of related party transactions.
- iii) The Carrying amount of trade receivables is pledged as security for borrowings. (Refer Note 23)
- iv) Trade Receivables are non interest bearing and are generally with the credit period of 30 to 60 days.

13. CASH AND CASH EQUIVALENTS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Cash on hand	20	40
Balance With Banks:		
- In Current accounts	2,994	1,873
	3,014	1,913

14. BANK BALANCES OTHER THAN ABOVE

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Balances with Bank held as margin money/ security	212	153
Deposit with Banks with more than 3 months but less than 12 months*	870	775
	1,082	928

15. OTHER FINANCIAL ASSETS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
(Unsecured, Considered Good unless otherwise stated)		
Advance to Employees	16	25
Interest Accrued on Deposit/ Investment	6	11
Earnest Money Deposits	10	10
Other Receivables*	278	850
(Including from Holding Company ₹ 101 lakhs, March 31, 2020 - ₹ 379 lakhs)		
* Includes management fees receivable from Holding Company, and other receivables from business partners		
Total	310	896

Notes to Financial Statements

for the year ended March 31, 2021

16. OTHER CURRENT ASSETS

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
(Unsecured, Considered Good unless Otherwise Stated)		
Advance Against supply of Goods & Services	3,056	1,241
Less: - Allowances on advances	(437)	(219)
	2,619	1,023
Prepaid Expenses	302	296
Balances with Statutory Authorities	162	234
	3,083	1,553

17. ASSETS CLASSIFIED - HELD FOR SALE

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Land & Building*	6,200	-
Commercial Vehicles*	1,270	-
(*) Refer Note 46		
	7,470	-

18. EQUITY SHARE CAPITAL

	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Authorized:				
Equity Shares of ₹ 10/- each	7,50,000	75	7,50,000	75
		75		75
Issued:				
Equity Shares of ₹ 10/- each fully paid up	5,00,000	50	5,00,000	50
		50		50
Subscribed and Paid-up:				
Equity Shares of ₹ 10/- each fully paid up	5,00,000	50	5,00,000	50
	5,00,000	50	5,00,000	50

- a) There has been no change / movements 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 ₹ 10 per share. Each holder of Equity Shares is entitled to one vote per share and equal right for 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 as at March 31, 2021, 3,50,000 shares (PY 3,50,000 shares) are held by the holding company.
- d) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Equity Shares of ₹ 10 each fully paid				
Shares at the beginning of the year	5,00,000	50	5,00,000	50
Shares at the end of the year	5,00,000	50	5,00,000	50

Notes to Financial Statements

for the year ended March 31, 2021

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

Equity Shares of ₹ 10 each fully paid held by Name of the Shareholders	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% Holding	No. of Shares	% Holding
Gati Limited	3,50,000	70%	3,50,000	70%
Kintetsu World Express (S) Pte. Ltd.	1,30,000	26%	1,30,000	26%

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

g) 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.

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

19. OTHER EQUITY

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Securities Premium	17,836	17,836
General Reserve	1,720	1,720
Retained Earnings	10,333	14,945
	29,889	34,501

The description, nature and purpose of each reserve within other equity are as follows: -

Securities Premium

Securities premium is used to record the premium on issue of equity shares. The same can be utilised in accordance with the provisions of The Companies act, 2013.

General Reserve

General reserve is the retained earnings of the company, which are kept aside out of the Company's profit to meet future (known or unknown) obligations.

Retained Earnings

Retained earnings comprise of net accumulated profit / (loss) of the company, after declaration of dividend.

20. LONG TERM BORROWINGS

(₹ in lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Non - Current	Current Maturities	Non - Current	Current Maturities
Secured				
i) Term Loan From Banks	939	125	2,350	1,219
ii) Term Loan From Others	38	109	147	98
iii) Vehicle Loan From Banks	106	72	1,804	773
iv) Vehicle Loan from Others	30	63	394	238
Total (A)	1,113	369	4,695	2,328
Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note 25)		(369)		(2,328)
Total (B)	-	(369)	-	(2,328)
	1,113	-	4,695	-

Notes to Financial Statements

for the year ended March 31, 2021

Particulars of Nature of security

- i) a) Rupee Term Loan from Bank is repayable in 1 quarterly instalment of ₹ 125 lakhs between April 2021 to June 2021. The primary security being subservient charge on current assets and fixed assets of the company to the extent of 100% coverage on loan amount and collateral being property at Peenya, Bangalore. The above term loan is guaranteed by the Holding company. The loan carries interest one year MCLR+1.25%
- b) Rupee Term Loan from Bank is repayable in 47 monthly equal instalment of ₹ 23 lakhs between April 2022 to February 2026. The collateral being second charge on all primary and collateral securities available for the existing facilities with the bank. The loan carries interest rate of 7.5%
- ii) Rupee Term loan from other financial institution is hypothecated to its underlying fixed assets and is repayable in 16 monthly equal instalment of ₹ 10 lakhs between April 2021 to July 2022 for equipment financing, and the underlying assets are hypothecated. The loan carries interest rate of Long term lending rate (LTLR) less 9.25% as announced by the institution from time to time.
- iii) & iv) Vehicles are hypothecated against the Vehicle loans from Banks & other financial institutions.

21. LEASE LIABILITIES

	(₹ in lakhs)			
	As at March 31, 2021		As at March 31, 2020	
	Non - Current	Current	Non - Current	Current
Lease Obligation (Refer Note 38)	4,942	1,122	5,806	960
Total	4,942	1,122	5,806	960

22. PROVISIONS

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Employee Benefits		
Gratuity (Refer Note 39)	723	477
Leave Encashment	341	277
Total	1,064	754

23. CURRENT BORROWINGS

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Secured		
i) Working Capital facilities from Banks		
- Cash Credit/Working capital demand loan	14,265	12,496
Total	14,265	12,496

- a) Working Capital Borrowings in rupees is secured by book debts and other current assets of the company on pari-passu charge with all working capital lenders under multiple banking arrangement. Weighted average rate of interest is 8.86%.

24. TRADE PAYABLES

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
For Goods and Services		
Total outstanding dues of micro enterprises and small enterprises (Refer Note No.40)	343	110
Total outstanding dues of creditors other than micro enterprises and small enterprises		
(a) Acceptances	128	1,357
(b) Others	7,822	7,262
	8,293	8,728

Notes to Financial Statements

for the year ended March 31, 2021

25. OTHER FINANCIAL LIABILITIES

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Current Maturities of Long-term Borrowing Term Loan (Refer Note 20)	369	2,328
Interest accrued but not due on borrowings	19	55
Employee Related Liabilities	3,293	1,496
Security Deposits	2,786	2,358
	6,466	6,237

26. OTHER CURRENT LIABILITIES

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Statutory dues	1,642	1,187
Others	3,438	2,143
	5,080	3,331

27. PROVISIONS

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Employee Benefits		
Gratuity (Refer Note 39)	245	93
Leave Encashment	133	83
	377	176

28. REVENUE FROM OPERATIONS

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Sale of Services		
Freight and other service charges [including from Holding Company ₹ 1,197 lakhs (Previous year ₹ 5,229 lakhs)]	96,079	1,10,028
Supply Chain Management services	4,778	5,163
Total (A)	1,00,857	1,15,191
Other Operating Revenue		
Miscellaneous Income	175	319
Management fees	153	433
Total (B)	328	752
Grand Total (A) + (B)	1,01,185	1,15,943

A. Revenue from contracts with customers disaggregated based on revenue stream and by reportable segment

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Revenue based on product & services		
1. Segment Revenue (Net Sale / Income from each Segment)		
a) Express Distribution	1,00,857	1,15,191
b) Other Operating Revenues	328	752
Total	1,01,185	1,15,943
Revenue based on Geography		
India	1,01,185	1,15,943
Overseas	-	-
	1,01,185	1,15,943

Notes to Financial Statements

for the year ended March 31, 2021

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Reconciliation of Revenue from Operation with contract price		
Revenue as per contract price	1,05,671	1,20,175
Less:		
Discounts	96	134
Credit note	1,841	1,982
Unsatisfied performance obligation	2,549	2,116
Revenue from Operation	1,01,185	1,15,943

Transaction Price - Unsatisfied Performance Obligation

The Company's unsatisfied performance obligations mainly arises on account of undelivered shipments. The aggregate value of transaction price allocated to the unsatisfied performance obligations as at March 31, 2021 is ₹ 2,549 lakhs, which is expected to be recognised during next year.

The Company recognises revenue at a point in time. Contract with customers are of short-term duration and all sales are direct to customers.

Contract Balances

	(₹ in lakhs)	
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contract Assets	228	172
Trade receivables	21,443	22,506
Less: Impairment allowances	(3,002)	(2,266)
Total	18,441	20,240

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognised as revenue as and when the performance obligation is satisfied.

29. OTHER INCOME

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income from financial assets at amortized cost		
Deposits with Bank	70	111
Interest on Income Tax refund	277	-
Unwinding of financial asset	-	68
Other Non Operating Income		
Rent	8	20
Bad debts recovery	8	-
Liabilities no longer required - written back	99	230
Others	34	31
Total	496	460

Notes to Financial Statements

for the year ended March 31, 2021

30. OPERATING EXPENSES

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Freight (Including to Holding Company- Nil, Previous year ₹ 128 lakhs)	59,047	67,427
Vehicles' trip expenses	4,762	6,240
Handling Charges	1,791	2,432
Vehicles' taxes	50	55
Vehicles' Insurance	65	41
Tyres and Tubes	71	59
Supply Chain Management services	3,271	3,524
Claims for Loss & Damages (Net)	376	617
Other Operating Expenses	717	861
Total	70,150	81,256

31. EMPLOYEE BENEFITS EXPENSE

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, Wages & Bonus*	13,961	14,048
Contribution to Provident and Other Funds (Refer Note 39)	881	1,161
Staff Welfare Expenses	242	271
Total	15,084	15,480

(*) Refer note 44 on excess managerial remuneration paid during the current financial year.

32. FINANCE COSTS

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest Expenses		
Term Loans	533	596
Working Capital Loans	1,247	1,406
Lease liabilities	794	846
Other Borrowing cost	8	44
Total	2,582	2,892

33. DEPRECIATION AND AMORTIZATION EXPENSE

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on Property, Plant and Equipment (Refer Note 4A)	1,743	1,898
Depreciation on Right-of-Use Asset (Refer Note 4B)	1,232	1,179
Amortisation of Intangible Assets (Refer Note 6)	161	167
	3,136	3,244

Notes to Financial Statements

for the year ended March 31, 2021

34. OTHER EXPENSES

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Lease Rentals (Refer Note 38)	5,235	5,560
(Including to Holding Company ₹ 459 lakhs Previous year ₹ 445 lakhs)		
Rates and Taxes	452	333
Insurance	139	132
Telephone expenses	85	132
Printing and Stationery	218	288
Travelling expenses	187	537
Professional and Legal expenses	1,059	517
Advertisement Expenses	76	268
Office Maintenance and Repairs	1,455	1,777
Electricity Expenses	757	929
Automation Network Expenses	512	512
Miscellaneous Expenses	602	827
Loss on disposal of Property, Plant and Equipment (Net)	74	36
Directors' Sitting fees	6	9
Remuneration to Auditors (Note 34.1)	27	36
Allowance for Doubtful receivables	747	848
Allowance for other financial assets	219	219
Bad debts and irrecoverable balances written off	102	525
Less: - Provision for loss allowance recognized in earlier years	(11)	(76)
Corporate Social Responsibility Expenditure (Refer Note 34.2)	47	70
Donations	-	36
Total (A)	11,988	13,515
REPAIRS & MAINTENANCE		
Vehicles	65	116
Plant and Equipment	101	136
Buildings	17	7
Computers	491	610
Total (B)	674	869
Total (A) + (B)	12,662	14,384

34.1 Payment to Auditor (excluding Goods and Service Tax)

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Statutory Audit fees	15	15
Taxation matters	-	6
Other matters	11	11
Reimbursement of out of Pocket Expenses	1	4
	27	36

34.2 Corporate Social Responsibility Expenditure

- During the year, the company has incurred ₹ 47 lakhs (previous year ₹ 70 lakhs) on account of Corporate Social Responsibility (CSR) included under Other Expenses.
- Gross Amount required to be spent by the company during the year is ₹ 47 lakhs.
- Amount of ₹ 47 lakhs, approved by the board to be spent during the year

Notes to Financial Statements

for the year ended March 31, 2021

(d) Amount spent during the year on:

Particulars	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	47	70
	47	70

(e) Unspent Amount:

Particulars	(₹ in lakhs)
Opening Balance as on April 01, 2020	144
Amount deposited in specified fund of Schedule VII within 6 months	-
Amount required to be spent during the year	47
Amount spent during the year	47
Closing Balance as on March 31, 2021	144

35. EXCEPTIONAL ITEMS

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Loss on Asset Held for Sale Classification - Land & Building	3,459	-
Loss on Asset Held for Sale Classification - Commercial Vehicles	577	-
Loss on disposal of Property, Plant and Equipment (Net)	85	-
Loss on disposal of Asset held for sale	30	-
Total	4,151	-

The Exceptional items (non-cash, non-recurring) of ₹ 4,151 lakhs represents diminution in the present fair value of the assets sold during the year and proposed to be sold which is disclosed as "Assets held for Sale".

36. TAX EXPENSES

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Profit Before Tax	(6,084)	(853)
Income Tax recognised in Statement of Profit and Loss		
Current Tax	-	117
Deferred Tax	(1,718)	(192)
Total	(1,718)	(76)
Income Tax recognised in Other Comprehensive Income		
Deferred tax expenses on remeasurements of defined benefit plans	(83)	(27)
Total	(83)	(27)
Grand Total	(1,801)	(103)
Profit After Tax	(4,366)	(778)
Other Comprehensive Income (Net of Tax)	(246)	(79)
Total Comprehensive Income	(4,612)	(857)

Notes to Financial Statements

for the year ended March 31, 2021

36.1 Reconciliation of Income Tax expense for the year with book profits

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Profit before Tax	(6,084)	(853)
Applicable Tax Rate	25.17%	25.17%
Tax Expense	(1,531)	(215)
Tax Effect of:		
Expenses non-deductible for tax purposes	2,421	122
Expenses allowable for tax purposes	(1,064)	(105)
Reversal of opening deferred tax due to change in tax rate	-	113
Other Adjustments	(1,544)	10
Current Tax provision (A)	(1,718)	(76)
Effective Tax Rate	28.23%	8.9%

36.2 In the previous year, the company opted to exercise the option under section 115 BBA of the Income Tax Act, 1961 as introduced by the Taxation laws (Amendment) Ordinance, 2019 and has taken 25.168% rate of corporate tax in its accounts. Accordingly, the company has recognized provisions for income tax and re-measured its deferred tax assets/liabilities on the basis of above option.

37. CONTINGENT LIABILITIES AND COMMITMENTS

(I) Contingent liabilities (to the extent not provided for)

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
(a) Claim against the Company not acknowledged as debt		
(i) Income tax Demand disputed in appeals (includes amount paid under protest and adjustments of ₹ 1,991 lakhs, previous year - ₹ 398 lakhs)	2,382	1,794
(ii) Indirect Tax demand disputed in appeals	303	303
(iii) Pending Litigations	354	429
Total	3,039	2,526

Notes:

- Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only a receipt of judgements / decisions pending with various forums / authorities.
- The company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. Also, the Company does not expect any reimbursement in respect of the above contingent liabilities.

	(₹ in lakhs)	
(b) Bank Guarantee (*)	369	211

(*) Bank Guarantee is issued to meet certain business obligations towards government agencies and certain customers.

- There has been a Supreme Court (SC) judgement dated February 28, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. During the current year ended March 31, 2021, Company is in compliance with same. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, was not ascertainable and consequently no effect was given in the accounts.
- Code on Social Security, 2020 ('Code') relating to employee benefits during employment and postemployment has been notified in the official Gazette on September 29, 2020 and its effective date is yet to be notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the year the Code becomes effective.

Notes to Financial Statements

for the year ended March 31, 2021

(II) Commitments

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
(a) Commitment for acquisition of Property, Plant & Equipments and Intangible Assets (Net of advances)		
Towards Property, Plant & Equipment	20	24
Towards Intangible Assets	16	62
	36	86

(b) For lease commitments Refer Note 38

38. LEASES

(a) The Company has lease contracts for certain items of Computers, Vehicles & Buildings. The Company's obligations under leases are secured by the lessor's title to the leased assets.

(b) Movement in lease liabilities during the year ended March 31, 2021

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Lease liabilities at the beginning of the year	6,765	1442
Additions	456	6124
Interest cost accrued during the year	794	846
Payment of lease liabilities	(1,768)	(1,647)
Deletion	(183)	-
Lease liabilities at the end of the year	6,064	6765

(c) Amount recognized in Profit or Loss

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest expense on lease liabilities	794	846
Depreciation expense of right-of-use assets	1,232	1179
Expense relating to short term leases (included in other expenses & operating expenses)	6,301	6674
	8,327	8,699

(d) Amounts recognised in the statement of cash flow

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Total cash outflow for leases	1,768	1,647

(e) Future payment of lease liabilities on an undiscounted basis

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Not later than one year	1,807	1,720
Later than one year but not later than five years	5,022	5,385
Later than five years	1,880	2,988
Total	8,709	10,093
Current lease liabilities	1,122	960
Non-current lease liabilities	4,942	5,806
Total Lease liabilities	6,064	6,766

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Notes to Financial Statements

for the year ended March 31, 2021

39. DISCLOSURE AS REQUIRED UNDER IND AS -19 ON EMPLOYEE BENEFITS

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Statement of Assets and Liabilities for defined benefit obligation		
Net defined benefit obligation - Gratuity Plan	(1,377)	(1,133)
Net defined benefit asset - Gratuity Plan	409	563
Total employee benefit (liabilities) / Assets	(968)	(570)

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Defined contribution		
Provident/Pension fund	721	783
Superannuation fund	13	36
Employee state insurance	120	138
	854	957

Defined benefits - Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contributions to recognised funds in India.

These defined benefit plans expose the Company to actuarial risks, such as currency risk, interest risk and market (investment) risk.

The Company expects to contribute ₹ 348 lakhs to Gratuity Fund in the next year.

Inherent risk

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.

The following tables analyse present value of defined benefit obligations, expense recognised in Standalone Statement of Profit and Loss, actuarial assumptions and other information.

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Reconciliation of the net defined benefit (asset)/ liability:		
(I) Reconciliation of present value of defined benefit obligation		
(a) Balance at the beginning of the year	1,133	939
(b) Current service cost	128	127
(c) Interest cost	68	70
(d) Benefits paid	(276)	(123)
(e) Actuarial (gains)/ losses recognised in other comprehensive income	-	-
change in demographic assumptions	70	(0)
change in financial assumptions	117	70
experience adjustments	137	50
Balance at the end of the year	1,377	1,133
(II) Reconciliation of present value of plan assets		
(a) Balance at the beginning of the year	563	403
(b) Actual return on plan assets	32	44
(c) Contributions by the employer	90	120
(d) Contributions by the employee	-	-
(e) Benefits paid	(276)	(123)
(f) Acquisition Adjustment	-	119
Balance at the end of the year	409	563

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for the year ended March 31, 2021

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Reconciliation of the net defined benefit (asset)/ liability:		
(III) Net asset/ (liability) recognised in the Balance Sheet		
(a) Present value of defined benefit obligation	(1,377)	(1,133)
(b) Fair value of plan assets	409	563
Net defined benefit obligations in the Balance Sheet	(968)	(570)
(IV) Expense recognised in Statement of Profit or Loss		
(a) Current service cost	128	127
(b) Past service cost	-	-
(c) Interest cost	68	70
(d) Interest income	(37)	(30)
Amount charged to Profit or Loss	159	167
(V) Remeasurements recognised in Other Comprehensive Income		
(a) Actuarial gain / (loss) on defined benefit obligation	324	120
(b) Return on plan asset excluding interest income	5	(14)
Amount recognised in Other Comprehensive Income	329	106
(VI) Plan assets		
Plan assets comprise of the following:		
(a) Investments with LIC	100%	100%
(VII) Actuarial assumptions		
Principal actuarial assumptions at the reporting date (expressed as weighted averages)		
(a) Discount rate	5.58%	6.50%
(b) Future salary growth	6.00%	4.00%
(c) Retirement age (years)	58	58
(d) Withdrawal rates	25%	9%

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2006-08).

(IX) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

	(₹ in lakhs)			
	As at March 31, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
(a) Discount rate (1% movement)	(42)	45	(70)	80
(b) Future salary growth (1% movement)	44	(42)	80	(71)
(c) Withdrawal assumption (1% movement)	(3)	3	9	(9)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions as shown.

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Expected cash flows over the next (valued on undiscounted cash flows)		
1 year	348	184
2 to 5 years	838	493
6 to 10 year	370	465
more than 10 years	124	764

Notes to Financial Statements

for the year ended March 31, 2021

40. DUE TO MICRO ENTERPRISES AND SMALL ENTERPRISES

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year:		
Principal amount due to micro and small enterprises	343	110
Interest due on above	-	-
Total	343	110
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

Dues to Micro, small and Medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management (March 31, 2020 - ₹110 lakhs).

41. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

A. Category wise classification of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2021

(₹ in lakhs)

Particulars	Carrying amount				Total carrying amount
	FVTPL	FVOCI	Other financial assets at amortised cost	Other financial liabilities at amortised cost	
Financial assets not measured at fair value					
Loans	-	-	3,030	-	3,030
Trade receivables	-	-	18,441	-	18,441
Cash and cash equivalents	-	-	3,014	-	3,014
Other bank balances	-	-	1,082	-	1,082
Other financial assets	-	-	310	-	310
	-	-	25,877	-	25,877
Financial liabilities not measured at fair value					
Borrowing	-	-	-	15,746	15,746
Lease Liabilities	-	-	-	6,064	6,064
Trade payables	-	-	-	8,293	8,293
Other financial liabilities	-	-	-	6,098	6,098
	-	-	-	36,201	36,201

Notes to Financial Statements

for the year ended March 31, 2021

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2020

Particulars	(₹ in lakhs)				
	Carrying amount			Other financial liabilities at amortised cost	Total carrying amount
	FVTPL	FVOCI	Other financial assets at amortised cost		
Financial assets not measured at fair value					
Loans	-	-	3,306	-	3,306
Trade receivables	-	-	20,240	-	20,240
Cash and cash equivalents	-	-	1,913	-	1,913
Other bank balances	-	-	928	-	928
Other financial assets	-	-	896	-	896
	-	-	27,283	-	27,283
Financial liabilities not measured at fair value					
Borrowing	-	-	-	19,519	19,519
Lease Liabilities	-	-	-	6,765	6,765
Trade payables	-	-	-	8,728	8,728
Other financial liabilities	-	-	-	3,909	3,909
	-	-	-	38,921	38,921

Financial instruments measured at amortised cost

The carrying amount of the financial asset and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair value since the company does not anticipate that the carrying amount would be significantly different from the values that would eventually be received or settled.

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

Risk management framework

The Company's principal financial liabilities includes borrowings, lease liabilities, trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, loans, cash and cash equivalents and other financial assets that derive directly from its operations.

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans & Deposits given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying

Notes to Financial Statements

for the year ended March 31, 2021

value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

a) Trade receivables

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. The Company uses expected credit loss model to assess the impairment loss or gain in accordance with Ind AS 109. The Company uses a provision matrix to compute the credit loss allowance for trade receivables.

The movement of Trade Receivables and Expected Credit Loss are as follows :

Particulars	₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Trade Receivables (Gross)	21,443	22,506
Less: Expected Credit Loss	3,002	2,266
Trade Receivables (Net)	18,441	20,240

Reconciliation of loss allowance provision (Trade receivables)	Amount
Loss Allowance on April 1, 2019	1,493
Change in Loss allowance	773
Loss Allowance as on March 31, 2020	2,266
Change in Loss allowance	736
Loss Allowance as on March 31, 2021	3,002

b) Loans (Security deposits given)

The company has security deposits with lessors for leased premises at the year end. The credit worthiness of such lessors is evaluated by the management on an ongoing basis and is considered good.

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's finance team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

March 31, 2021	Carrying amount	Contractual Cashflows			
		Total	Less than		More than 5 years
			1 Year	1 to 5 years	
Borrowings	15,746	15,746	14,633	1,113	-
Lease Liabilities	6,064	8,709	1,807	5,022	1,880
Trade Payables	8,293	8,293	8,293	-	-
Other Financial Liabilities	6,098	6,098	6,098	-	-
	36,201	38,846	30,831	6,135	1,880

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for the year ended March 31, 2021

(₹ in lakhs)

March 31, 2020	Carrying amount	Contractual Cashflows			
		Total	Less than 1 Year	1 to 5 years	More than 5 years
Borrowings	19,519	19,519	14,824	4,695	-
Lease Liabilities	6,765	10,093	1,720	5,385	2,988
Trade Payables	8,728	8,728	8,728		
Other Financial Liabilities	3,909	3,909	3,909		
	38,921	42,249	29,181	10,080	2,988

(iii) **Floating exchange rate and interest rate risk**

Floating exchanges rates

Floating exchanges rate risk is the risk that changes in market prices - such as interest rates - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

There is no foreign currency exposure outstanding at the year end (Previous Year - Nil). The Company does not have foreign currency exposure and hence is not exposed to any foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long term and short term borrowing with floating interest rates. The company constantly monitors the credit markets and rebalances its financing strategies to achieve a optimal maturity profile and financing cost.

The interest rate profile of the Company's interest bearing financial instruments at the end of the reporting period are as follows :

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed rate instruments		
Financial assets	-	-
Financial liabilities		
Term Loan From Banks	939	-
Vehicle Loan From Banks	178	2,577
Vehicle Loan from Others	92	631
Finance lease Obligation (refer note 38)	6,064	6,765
	7,273	9,973
Variable rate instruments		
Financial assets		
Financial liabilities		
Term Loan From Banks	125	3,569
Term Loan From Others	147	246
Cash Credit	14,265	12,496
	14,537	16,311
	21,810	26,284

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for the year ended March 31, 2021

Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

Particulars	(₹ in lakhs)			
	Effect on profit before tax		Effect on Equity	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Variable rate instruments - increase by 100 basis points	145	163	145	163
Variable rate instruments - decrease by 100 basis points	(145)	(163)	(145)	(163)

The sensitivity analysis above has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year.

42. CAPITAL MANAGEMENT

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure the Company monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders, debt includes current maturities of long term borrowings.

The Company monitors capital on the basis of the following gearing ratio.

Particulars	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Borrowings(including current maturities of Long term borrowing)	15,746	19,519
Less:-		
Cash and cash equivalents	3,014	1,913
Bank Balances other than Cash and cash equivalents	1,082	928
Net Debt	11,650	16,678
Equity	29,939	34,551
Debt to equity ratio	0.39	0.48

43. EARNINGS PER SHARE

Particulars	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Profit/(Loss) for the year	(4,366)	(778)
Weighted average number of shares (Nos.)	5,00,000	5,00,000
Basic and Diluted Earnings Per Share (In ₹)	(873.23)	(155.50)
Nominal value of shares outstanding (In ₹)	10	10

Notes to Financial Statements

for the year ended March 31, 2021

44. a) The managerial remuneration paid to the former Executive chairman and Managing Director (CMD) and current Deputy Managing Director of the company for the year ended March 31, 2021 has exceeded the limit prescribed under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 175 lakhs, excluding ₹ 100 lakhs paid as onetime exgratia to the DMD by the Holding Company "Gati Limited". Pending necessary approvals for the waiver of excess remuneration, no adjustment to the financial statements has been made as on March 31, 2021 and the said matter has been mentioned as an emphasis of matter by statutory auditor.
- b) The managerial remuneration paid to the former Executive chairman and Managing Director (CMD) and the Deputy Managing Director of the company for the year ended March 31, 2020 had exceeded the limit prescribed under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 403 lakhs. This excess remuneration has been waived off by the shareholders of the said subsidiary company at their AGM held on December 02, 2020 by passing the Special Resolution. However, the waiver pertaining to the Executive CMD was conditional subject to the full refund of the excess of managerial remuneration paid to him for FY' 2019 (amounting to ₹ 106 Lakhs) on or before January 31, 2021. The same was recovered in full and hence the waiver of excess remuneration for FY 2020 was accorded.
45. The Company has initiated recovery of overdue advances given ₹ 732 lakhs to a party in an earlier year and out of which ₹ 437 lakhs is outstanding as of March 31, 2021. Out of the amount receivable, the management has provided ₹ 219 lakhs in earlier year and the balance amount has been provided in the current year. A MoU has been signed with a revised repayment schedule which has been agreed between company and the party in which this amount is also included.
46. Company has adopted an Asset Light Strategy, basis which the decision was taken to sell the immovable properties and company owned commercial vehicles and use the proceeds from such sale to pare the debt. Net book value of assets classified held for sale as at March 31, 2021 amounting to ₹ 11,506 Lakhs. Exceptional item refers to loss on fair value of such assets as at March 31, 2021 in line with Ind AS 105.
47. Company has overdue receivables from its fellow subsidiary "GATI Import Export private limited" amounting to ₹ 160 lakhs towards freight services and rental income, where the business operations are also discontinued. The company is now in possession of the title deeds of a land property, which is an adequate security.
48. The COVID-19 pandemic continues to spread throughout the world. The performance of the Company operation was impacted during the first quarter, following nationwide lockdown by the Government of India. The Company has resumed operations in a phased manner as per directives from the Government of India. The company has taken-into-account the impact of COVID - 19 in preparation of financial results including its assessment of going concern and recoverability of the carrying amounts of financial and non-financial assets. The extent to which the pandemic will impact our future financial statements are currently uncertain and will depend on various other economic developments.

Notes to Financial Statements

for the year ended March 31, 2021

49. RELATED PARTY DISCLOSURES

(A) Names of related parties and description of relationship for the year ended March 31, 2021

a) Ultimate Holding Company

Allcargo Logistics Limited

b) Holding Company

Gati Limited

c) Fellow Subsidiaries

- i) Gati Kausar India Ltd
- ii) Gati Import Export Trading Ltd
- iii) Gati Cargo Express (Shanghai) Co. Ltd

d) Entities in which Key Managerial Personnel & their relatives able to exercise significant influence

- i) Giri Road lines and Commercial Trading Private Limited *
- ii) TCI Hiways Pvt. Ltd. *
- iii) Gati Academy *
- iv) Jaldi Traders & Commerce House Pvt Ltd. *
- v) Share India ***
- vi) Solaflex Solar Energy Private Limited *
- vii) P. D. Agarwal Foundation *
- viii) ABC India Limited *

e) Entities under common influence /control with the company

- i) Kintetsu World Express (India) Pvt. Ltd.
- ii) TCI Telenet Solutions Pvt Ltd *

f) List of Key Managerial Personnel:

Executive directors

- i) Mr. Mahendra Agarwal *
- ii) Mr. Bala Subramanian Aghoramurthy
- iii) Mr. Adarsh Hegde (w.e.f. October 05, 2020)

Non-Executive directors

- i) Mr. R Ramachandran
- ii) Ms. Sheela Bhide
- iii) Mr. Kok Seng Tan
- iv) Mr. Kazuhisa kawamura
- v) Mr. SushilKumar Jiwrajka (Appointed on 19.09.2019 & Resigned on 05.12.2019)
- vi) Mr. Mohinder Pal Bansal (Appointed on 05.10.2020 & Resigned on 04.03.2020)

*Ceased to qualify as a related party on September 28, 2020

**Ceased to be related party on August 16, 2020 due to disinvestment in Gati Asia Pacific by Gati Ltd and become a fellow subsidiary to Allcargo Logistics Ltd

*** No transactions during the year.

Notes to Financial Statements

for the year ended March 31, 2021

(B) Summary of the transactions with related parties:

Sl. No.	Nature of transactions	Key Managerial Personnel & Relatives				Entities in which Significant Influence Exists				Entities under common influence /control with the company				Fellow Subsidiaries				Total		
		2020-21		2019-20		2020-21		2019-20		2020-21		2019-20		2020-21		2019-20		2020-21	2019-20	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	
(i) EXPENDITURE																				
a) Rent																				
	TCI Finance Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Giri Roadlines & Commercial Trading Pvt Ltd	-	-	32	64	-	-	-	-	-	-	-	-	-	-	-	-	-	32	64
	Jaldi Traders & commerce house Pvt Ltd	-	-	75	150	-	-	-	-	-	-	-	-	-	-	-	-	-	75	150
	P. D. Agarwal Foundation	-	-	21	11	-	-	-	-	-	-	-	-	-	-	-	-	-	21	11
	TCI Telenet Solutions Pvt Ltd	-	-	-	-	16	36	-	-	-	-	-	-	-	-	-	-	-	16	36
	Gati Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	459	445
	ABC India Limited	1	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	2
	Allcargo Logistics Ltd	-	-	-	-	-	-	-	-	15	-	-	-	-	-	-	-	-	15	-
																			619	708
b) Remuneration																				
	Mahendra Agarwal	152	340	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	152	340
	Bala Aghoramurthy	293	304	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	293	304
	Adarsh Hedge	87	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	87	-
	Sitting Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sheela Bhide	3	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	4
	R Ramachandran	3	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	4
	Mohinder Pal Bansal	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-
	Sushilkumar Jwarajka	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
																			538	653
c) Fuel Expenses																				
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-
d) Freight Expenses																				
	TCI Hi-Ways Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Gati Kausar India Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18	38
	Gati Limited (Railway Expenditure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	128	-
																			18	166
e) Management Fees																				
	Gati Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	150	143
	All Cargo Logistics Ltd	-	-	-	-	-	-	-	-	102	-	-	-	-	-	-	-	-	-	102
																			252	143
f) Manpower Expenses																				
	Gati Academy	-	-	245	602	-	-	-	-	-	-	-	-	-	-	-	-	-	-	245
																			245	602

(₹ in lakhs)

Notes to Financial Statements

for the year ended March 31, 2021

(C) Summary of closing balances with related parties:

(₹ in lakhs)

Sl. No.	Nature of transactions	Key Managerial Personnel & Relatives		Entities in which Significant Influence Exists		Entities under common influence /control with the company		Ultimate Holding Company		Holding Company		Fellow Subsidiaries		Total		
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	
(iv) a)	Sundry Debtors															
	TCI Hi Ways Pvt Ltd	-	-	1	-	-	-	-	-	-	-	-	-	-	1	
	Gati Academy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Kintentsu World Express (India) Pvt Limited	-	-	-	269	155	269	-	-	-	-	-	-	155	269	
	Gati Limited	-	-	-	-	-	-	-	4,052	77	4,052	-	-	77	4,052	
	Gati Import Export Trading Limited	-	-	-	-	-	-	-	-	-	-	154	195	154	195	
	Allcargo Logistics Ltd	-	-	-	-	-	-	3	-	-	-	-	-	3	-	
															389	4,517
	b) Other Receivables															
	Mr. Mahendra Agarwal	-	247	-	-	-	-	-	-	-	-	-	-	-	-	247
	Gati Limited	-	-	-	-	-	-	-	-	101	379	-	-	101	379	
	Gati Kausar India Ltd	-	-	-	-	-	-	-	-	-	-	41	34	41	34	
	Gati Import Export Trading Ltd	-	-	-	-	-	-	-	-	-	-	6	2	6	2	
	Gati Cargo Express (Shanghai) Co. Ltd	-	-	-	-	-	-	-	-	-	-	-	6	-	6	
															148	668
	b) Deposits Given															
	Solaflex Solar Energy (P) Ltd	-	-	20	-	-	-	-	-	-	-	-	-	-	-	20
	Jaldi Traders & Commerce House (P) Ltd	-	-	93	-	-	-	-	-	-	-	-	-	-	-	93
	TCI Telenet Solutions (P) Ltd	-	-	-	18	-	-	-	-	-	-	-	-	-	-	18
	Gati Limited	-	-	-	-	-	-	-	575	719	-	-	-	575	719	
															575	850

Notes to Financial Statements

for the year ended March 31, 2021

(₹ in lakhs)

Sl. No.	Nature of transactions	Entities under common influence / control												Total		
		Key Managerial Personnel & Relatives		Entities in which Significant Influence Exists		Entities under common influence / control with the company		Ultimate Holding Company		Holding Company		Fellow Subsidiaries				
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020			
c)	Sundry Creditors															
	Share India	-	-	3	-	-	-	-	-	-	-	-	-	-	-	3
	Giri Road lines & Commercial Trading (P) Ltd	-	-	6	-	-	-	-	-	-	-	-	-	-	-	6
	Gati Limited	-	-	-	-	-	-	-	80	279	-	-	-	-	80	279
	Gati Kausar India Ltd	-	-	-	-	-	-	-	-	-	1	2	-	1	2	2
	Solaflex Solar Energy (P) Ltd	-	-	2	-	-	-	-	-	-	-	-	-	-	-	2
	TCI Telenet Solutions Pvt Ltd	-	-	-	-	3	-	-	-	-	-	-	-	-	-	3
	ABC India Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	P. D. Agarwal Foundation	-	-	-	-	-	-	9	-	-	-	-	-	-	-	9
	Gati academy	-	-	14	-	-	-	-	-	-	-	-	-	-	-	14
	Bala Subramanian Aghoramurthy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Allcargo Logistics Limited	-	-	-	-	-	-	-	127	-	-	-	-	-	127	-
	d) Other Operational Advances															
	TCI Hiways Pvt. Ltd.	-	-	437	-	-	-	-	-	-	-	-	-	-	-	437
	Less: - Provision on Advances	-	-	(219)	-	-	-	-	-	-	-	-	-	-	-	(219)
	e) Corporate Guarantee taken															
		-	-	-	-	-	-	-	125	3150	-	-	-	-	125	3,150

Note:

- This is to confirm that the above transactions are (i) comprehensive and have been reviewed by Internal Auditors of the Company; (ii) in the ordinary course of Business and at arm's length; (iii) in compliance with applicable regulatory / statutory requirements including company's policy on Related party transactions.
- The Management confirms that requisite test to determine the arms length has been done and documented and where required confirmation from the external experts has been obtained for such determination.
- Related Party Transactions for which approval of the Audit Committee has been taken are well within the ambit of Omnibus Approval given by the Audit committee.
- The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given for FY 2020-21.
- The remuneration of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.

Notes to Financial Statements

for the year ended March 31, 2021

50. The Company's Chief Operating Decision Maker (CODM) has identified one business segment viz. Express distribution and there is no other reporting segment.
51. Previous year's figures have been regrouped / reclassified wherever necessary to confirm to the current year's presentation.
52. The financial statement are approved for issue by the Audit Committee at its meeting held on May 18, 2021 and by the Board of Directors at its meeting held on May 18, 2021.

The accompanying significant accounting policies and notes form an integral part of the Financial Statements

As per our report of even date

For Singhi & Co.

Chartered Accountants
ICAI Firm Registration No: 302049E

Anurag Singhi

Partner
Membership no: 066274

Place: Kolkata
Date: May 18, 2021

For and on behalf of the Board of Directors

Adarsh Hegde

Chairman & Managing Director
DIN: 00035040

Rohan Mittal

Chief Financial Officer

T S Maharani

Company Secretary
M No. F8069

Place: Hyderabad
Date: May 18, 2021

If undelivered please return to :



Regd. & Corporate Office :

Gati-Kintetsu Express Private Limited

First Floor, Plot No. 20, Survey No. 12,
Kothaguda, Kondapur, Hyderabad - 500084.

Tel: 040 7120 4284, Fax: 040 2311 2318

e-mail: investor.services@gati.com

CIN: U62200TG2007PTC056311