



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF GATI IMPORT EXPORT TRADING LIMITED

#### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of GATI IMPORT EXPORT TRADING LIMITED ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2023, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2023, and loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis on the matter:

- Trade payables with a credit balance of Rs 1,24,935 (in hundreds) are subject to confirmations and reconciliations and the impact that may result on reconciliation of the same cannot be ascertained.
- We draw your attention to Note 27 of the financial statements disclosing contingent liabilities against Haryana Sales tax demand disputed in appeals amounting to Rs. 1,81,089 (in hundreds).
- We draw your attention to Note 13 of the financial statements regarding the land classified as asset held for sale for more than 12 months as the compensation award to be paid by the Dedicated Freight Corridor Corporation of India Limited is pending for publication.



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### **Other Information:**

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

### **Material Uncertainty Relating to Going Concern**

We draw attention to Note 28 in the financial statements, which indicates that the Company incurred a net loss of Rs.5,538 (in hundreds) during the year ended 31<sup>st</sup> March 2023 and, as of that date, the company is having positive net worth of Rs. 47,416 (in hundreds). The company is does not have any operations during the current period. These conditions indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Although company does not have operations in the current period, its financial statements are prepared on going concern basis as the company expects to receive financial support from Gati Ltd (holding company) and the management of holding company are planning to take over the company and absorb all the liabilities.

### **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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("IND AS") specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 statement 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.





Those Board of Directors are 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:

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

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



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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and 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.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 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 of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in Note 27 in its financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

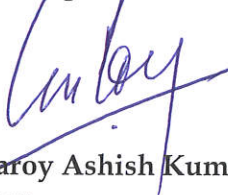


- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- v. The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- vi. Based on our audit procedures, we have considered it reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
- vii. The company has not declared or paid any dividend during the year.

For Laxminiwas & Co.

Chartered Accountants

Firm's Registration No. 011168S



**Guharoy Ashish Kumar**  
Partner

Membership Number: 018659

UDIN: 23018659 BG.XCSF 8303

Hyderabad

16 May, 2023



## Annexure A to the Auditors' Report

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the Members of GATI IMPORT EXPORT TRADING LIMITED of even date)

- (i). In respect of the company's Property, Plant and Equipment, and Intangible Assets:
- a. (A). According to the information and explanations given to us and based on our examination of the records of the Company, the Company is maintaining proper records showing full particulars including quantitative details and situation of property plant & equipment.
- (B). According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not owing any intangible asset, Hence this sub clause is not applicable to it
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all Property, plant and equipment are verified in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to information and explanations given to us, no material discrepancies were noticed on such verification.
- 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 disclosed in the financial statements as assets held for sale are not in the possession of the company. However, title deeds will be made available as per the Declaration cum Undertaking as disclosed in Note No 13 of the financial statements.
- d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment or Intangible assets during the year.
- e. According to the information and explanations given to us and based on our examination of the records of the Company, there is no proceedings initiated or pending against the company for holding any Benami property under the Benami Transaction Prohibition Act 1988. Therefore, Clause (i)(e) of the Order does not apply to the Company and hence is not commented upon.
- (ii).
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no Inventory held by the entity. Therefore, the Clause (ii)(a) of the Order is not applicable to the Company and hence not commented upon.





- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not been sanctioned with any working capital in excess of Five crore rupees from banks or financial institutions on the basis of security of current assets. Therefore, the Clause (ii)(b) of the Order is not applicable to the Company and hence not commented upon.
- (iii). According to the information and explanations given to us and on the basis of our examinations of the records of the company, the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, Clause 3(iii) (a), (b), (c), (d), (e) and (f) are not applicable to the company and hence not commented upon.
- (iv). According to the information and explanations given to us and on the basis of our examination of the records, Company has not undertaken any transactions within the purview of section 185 and 186 of the Act. Accordingly, Clause (iv) of the order is not applicable to the company, hence not commented upon.
- (v). According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of Clause (v) of the Order are not applicable to the Company and hence not commented upon.
- (vi). According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company. Therefore, the Clause (vi) of the Order is not applicable to the Company and hence not commented upon.
- (vii). According to the information and explanations given to us and on the basis of our examination of the records, in respect of the statutory dues:
- a. The company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employee state insurance, Income Tax, Sales tax, Wealth Tax, Service Tax, Customs duty, Excise Duty, Value added tax, Goods and Service Tax, Cess and any other statutory dues applicable to it as on March 31, 2023. No undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, goods and service tax, cess and other material statutory dues were in arrears as at march 31, 2023 for a period of more than six months from the date they became payable.



b. According to the information and explanations given to us and on the basis of our examination of the records, there are no dues of Income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, goods and service tax, cess which have not been deposited with appropriate authorities on account of any dispute.

(viii). According to the information and explanations given to us, all the transactions have been recorded completely and there has not been any tax assessments during the year under Income Tax Act, 1961. Therefore, the Clause (viii) of the Order is not applicable to the Company and hence not commented upon.

(ix).

a. According to the information and explanation given to us and on the basis of our examination of records, the company has not obtained any loans or borrowings. Therefore, clause (ix)(a) of the order is not applicable to the company and hence not commented upon.

b. according to the information and explanation given to us, the company has not been declared willful defaulter by any bank or financial institution or any other lenders. Therefore, clause (ix)(b) of the order is not applicable to the company and hence not commented upon.

c. According to the information and explanation given to us and on the basis of our examination of records of the company, the company has not obtained any loans during the period. Therefore, clause(ix)(c) of the order is not applicable to the company and hence not commented upon.

d. According to the information and explanation given to us, the company has not obtained any short-term loans during the year. Therefore, clause (ix)(d) of the order is not applicable to the company and hence not commented upon.

e. According to the information and explanation given to us, the company does not have any subsidiaries, joint ventures or associates. Therefore, clause (ix)(e) of the order is not applicable to the company and hence not commented upon.

f. According to the information and explanation given to us, the company does not have any subsidiaries, associates or joint ventures. Therefore, clause (ix)(f) of the order is not applicable to the company hence not commented upon.





(x).

- a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, Clause (x)(a) of the Order is not applicable and hence not commented upon.
- b. According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially optionally convertible) during the year. Accordingly, Clause (x)(a) of the Order is not applicable and hence not commented upon.

(xi).

- a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations provided by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year. Accordingly, Clause (xi)(a) of the Order is not applicable and hence not commented upon.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, as no fraud has been reported during the year, hence the compliance with Clause (xi) (b) of the order is not applicable and hence not commented upon.
- c. According to the information and explanations given to us, there were no whistleblower complaints in the company. Therefore, the Para 3 (xi) (c) of the Order is not applicable to the Company and hence not commented upon.

(xii). According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is not Nidhi Company. Therefore, Clause (xii) (a), (b) and (c) of the Order is not applicable to the Company.

(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). (a) According to the information and explanations given to us and based on our examination of the records of the Company and in accordance with the provisions of the Companies Act, 2013 based on the size and nature of the business, Internal audit is not applicable to the company. Accordingly, Clause xiv (a) and (b) of the Order is not applicable and hence not commented on the same.
- (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, Clause (xv) of the Order is not applicable and hence not commented upon.
- (xvi).
- a. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not required to registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, Clause (xvi)(a) of the order is not applicable and hence not commented upon.
  - b. According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not conducted any Non- Banking Financial or Housing Finance activities from the Reverse Bank of India as per the Reserve Bank of India Act 1934.
  - c. According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is not a core investment company. Accordingly, Clause (xvi)(c) of the Order is not applicable and hence not commented upon.
  - d. According to the information and explanations given to us and on the basis of our examination of the records of the company, neither the company nor its group of company is a core investment company. Accordingly, Clause (xvi)(d) of the Order is not applicable and hence not commented upon.
- (xvii). According to the information and explanations given to us and on the basis of our examination of the records of the company, the company incurring cash losses in the financial year amounting to 2,067 (in hundreds)/- and the company has not incurred any cash losses in the immediately preceding financial year.
- (xviii). According to the information and explanations given to us and on the basis of our examination of the records of the Company, there has been no resignation of the statutory auditors during the year. Accordingly, Clause (xviii) of the Order is not applicable and hence not commented upon.





- (xix). According to the information and explanations given to us and on the basis of our examination of the records of the Company, on the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, material uncertainty exists as on the date of audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. The company is having liabilities in excess of assets as on balance sheet date, however as per note 28 to Financial Statements, management of Holding company are planning to take over the company and absorb all the liabilities. Also refer to 'Material uncertainty related to going concern' paragraph in our audit report.
- (xx). According to the information and explanation provided to us and based on the examination of records of the company. The company is not subjected to compliance requirement with respect to section 135 of The Companies Act, 2013. Therefore, the Clause (xx) (a) & (b) of the Order is not applicable to the Company and hence not commented upon.

For Laxminiwas & Co  
Chartered Accountants  
Firm's Registration No. 011168S

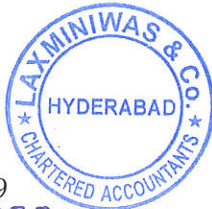
  
Guharoy Ashish Kumar  
Partner

Membership Number: 018659

UDIN: 23018659BGXCSF 8303

Hyderabad

16 May, 2023



## **Annexure - B to the Auditors' Report**

(Referred to in paragraph 2 (f) under "Report on other Legal and Regulatory Requirements section of our report to the members of GATI IMPORT EXPORT TRADING LIMITED of even date)

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

We have audited the internal financial controls over financial reporting of **GATI IMPORT EXPORT TRADING LIMITED** ("the Company") as of 31<sup>st</sup> March 2023 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 Board of directors of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

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

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





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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

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

### **Limitations of Internal Financial Controls Over Financial Reporting**

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



## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Laxminiwas & Co.**

Chartered Accountants

Firm's Registration Number: 011168S

**GuhaRoy Ashish Kumar**

Partner

Membership Number: 018659

UDIN: **23018659 B6XC SF 8303**



Hyderabad

Date: 16 May, 2023.



**GATI IMPORT EXPORT TRADING LIMITED**  
**CIN: U60232TG2008PLC057692**

**SIGNIFICANT ACCOUNTING POLICIES**

**1. Corporate and general information:**

Gati Import Export Trading Limited ("the Company") is a public limited company incorporated in 2008, having its registered office at Survey No.13(P), 4<sup>th</sup> Floor, Western Pearl, Kondapur, Hyderabad - 500084 Telangana, India. And it is a 100% subsidiary Gati Limited, A listed entity. The company is primarily engaged in the Trading of Food, Non-food, Pulses, Watch Movements, Cosmetics, Automobile spares & Electronic goods. & such Other Products.

**2. Basis of Accounting:**

**i. Statement of Compliance**

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

The financial statements of the Company for the year ended 31st March, 2023 have been approved by the Board of Directors in their meeting held on 16<sup>th</sup> May, 2023.

**ii. Functional and Presentation Currency**

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

**iii. Use of Estimates and Judgements**

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

Critical accounting estimates and judgments are as:

- Recognition of current tax and deferred tax



- Recognition and measurement of provisions and contingencies
- Fair value measurement of Financial instruments

#### iv. Current Vs Non-Current Classification

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

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

All the other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

#### v. Recent accounting pronouncements - Standard issued but not yet effective

The standard issued but not yet effective up to the date of issuance of the Company's financial statements is disclosed below. The company intends to adopt this standard when it becomes effective.

### 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

#### i. Property, plant and equipment

##### ➤ Recognition and Measurement

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





are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives

➤ **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 equipments and servicing equipments 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 Amortization**

- 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.
- 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).

➤ **Disposal of Assets**

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

ii. **Intangible Assets**

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



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 recognised in the statement of Profit and loss

**iii. Ind AS 116 Leases**

On 30 March 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, AS 17 Leases, and related Interpretations. The company doesn't have any material impact as per Ind AS 116 as there are no right of use assets and lease liabilities to be disclose.

**iv. Foreign currency Transactions**

- The financial statements are presented in Indian Rupee (INR), which is the functional and presentation currency of the Company.
- Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction.
- At each balance sheet date, foreign currency monetary items are restated using the closing exchange rate.
- Any exchange difference on account of settlement of foreign currency transactions and restatement of monetary assets and liabilities denominated in foreign currency is recognised in the Statement of Profit and Loss.
- 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.

**v. Inventories**

Cost of Inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories are valued at lower of cost and net realizable values. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**vi. Revenue Recognition**

Effective April 01, 2018, the Company has adopted Ind AS 115 "Revenue from contracts with customers" the application of Ind AS 115 did not have any material impact on the financial statements.

Revenue is recognized when it is probable that economic benefits associated with the transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates allowed by the Company.

➤ *Sale of product:*

Revenue from sale of products is recognized when the Company transfers all significant risks and rewards of ownership to the buyer, while the Company retains neither continuing managerial involvement nor effective control over the products sold.





➤ *Interest Income:*

Interest income is recognised using the effective interest rate method.

vii. **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

➤ **Financial assets**

➤ *Initial recognition and measurement*

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

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

a. *Financial assets at amortised cost*

A financial asset is measured at amortised 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.

b. *Financial assets at fair value through other comprehensive income (FVOCI)*

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

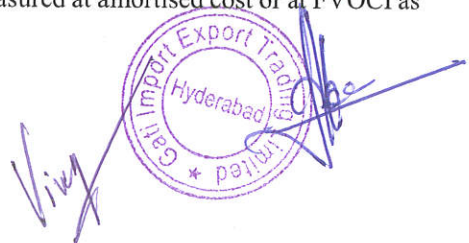
Financial assets are measured at the FVOCI if both of the following conditions are met:

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

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

c. *Financial assets at fair value through profit or loss (FVTPL)*

All financial assets which are not classified/ measured at amortised 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 amortised cost or at FVOCI as



at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

➤ **Subsequent measurement**

For purposes of subsequent measurement

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

➤ **Financial Liability**

Financial liabilities are classified and measured at amortised cost or FVTPL

➤ **Initial Recognition & Subsequent measurement**

a. 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 recognised in Statement of Profit and Loss.

b. Financial liabilities at amortised cost

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

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised 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.





➤ **Derecognition**

➤ **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.

➤ **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 recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

**viii. 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 recognised 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.

**ix. Employee benefits**

➤ **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 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 recognised as an employee benefit expense in the statement of Profit and Loss in the periods during which the related services are rendered by employees.

➤ **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 recognised 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.

**x. Income taxes**

Income tax expense comprises of current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI

➤ **Current tax**

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

➤ **Deferred Tax Asset**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (tax base). Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- Temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;





- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets – unrecognized or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if:

- The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

**xi. 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.

**xii. Provisions and Contingencies**

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

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



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

**xiv. Earnings per share**

➤ **Basic earnings per share**

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

➤ **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.





**GATI IMPORT EXPORT TRADING LIMITED**
**CIN: U60232TG2008PLC057692**
**BALANCE SHEET AS AT 31st MARCH, 2023**
**(Rupees in Hundreds)**

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>Assets</b>			
<b>Non-Current Assets</b>			
Intangible Assets	4	-	-
<b>Financial Assets</b>			
Security Deposits	5	3,429	503
<b>Total Non-Current Assets</b>		<b>3,429</b>	<b>503</b>
<b>Current Assets</b>			
Inventories	6	-	-
<b>Financial Assets</b>			
Trade Receivables	7	-	-
Cash & Cash Equivalents	8	69,265	1,04,590
Bank Balances other than above	9	27,187	29,011
Other Current Financial Assets	10	370	899
Loans & Advances	11	23,550	-
Other Current Assets	12	68,796	80,320
Asset Classified - Held for Sale	13	3,948	3,948
<b>Total Current Assets</b>		<b>1,93,117</b>	<b>2,18,769</b>
<b>Total Assets</b>		<b>1,96,546</b>	<b>2,19,272</b>
<b>Equity &amp; Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	14	2,30,000	2,30,000
Other Equity	15	(1,82,584)	(1,77,046)
<b>Total Equity</b>		<b>47,416</b>	<b>52,954</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Trade Payables	16	1,24,935	1,27,438
Other Financial Liabilities	17	24,058	38,880
Other Current Liabilities	18	137	-
<b>Current Liabilities</b>		<b>1,49,130</b>	<b>1,66,318</b>
<b>Total Liabilities</b>		<b>1,49,130</b>	<b>1,66,318</b>
<b>Total Equity &amp; Liabilities</b>		<b>1,96,546</b>	<b>2,19,272</b>

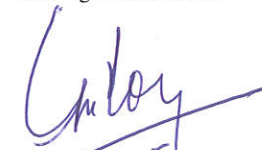
The Notes form an integral part of these Financial Statements

1 - 33

**In terms of our Report of even date**
**For Laxminivas & Co.**

Chartered Accountants

Firm Regn No. 011168S


**Guharoy Ashish Kumar**

Partner

Membership No.- 018659

Place: Hyderabad

Date: May 16, 2023


**For and on behalf of the Board**

**Anish T Mathew**

Director

DIN: 07995480

**Vivek Agarwalla**

Director

DIN: 09839287

**GATI IMPORT EXPORT TRADING LIMITED****CIN: U60232TG2008PLC057692****STATEMENT OF AUDITED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023****(Rupees in Hundreds)**

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
<b>REVENUE :</b>			
Revenue from operations	19	-	1,620
Other Income	20	11,509	55,822
<b>Total Revenue</b>		<b>11,509</b>	<b>57,442</b>
<b>EXPENSES :</b>			
Purchases of Stock in trade	21	-	43
Changes in inventories of Stock-in-Trade	22	-	1,450
Operating Expenses	23	-	3,611
Depreciation and Amortization Expenses	24	-	1,202
Other Expenses	25	17,047	55,467
<b>Total Expense</b>		<b>17,047</b>	<b>61,774</b>
<b>Profit Before Tax and Exceptional items</b>		<b>(5,538)</b>	<b>(4,332)</b>
Exceptional Items	25	-	(52,600)
<b>Profit Before Tax</b>		<b>(5,538)</b>	<b>(56,932)</b>
Tax Expense:			
Deferred tax		-	(194)
<b>Total Tax Expenses</b>		<b>-</b>	<b>(194)</b>
<b>Profit for the year</b>		<b>(5,538)</b>	<b>(56,737)</b>
<b>Total Comprehensive Income for the year</b>		<b>(5,538)</b>	<b>(56,737)</b>

**Earnings per share of Rs 10/-****26****(0.24)****(2.47)**

The Notes form an integral part of these Financial Statements

1 - 33

**In terms of our report of even date****For and on behalf of the Board****For Laxminivas & Co.**

Chartered Accountants

Firm Regn No. 011168S

**Guharoy Ashish Kumar**

Partner

Membership No.- 018659

Place: Hyderabad

Date: May 16, 2023

**Anish T Mathew**

Director

DIN: 07995480

**Vivek Agarwalla**

Director

DIN: 09839287



**GATI IMPORT EXPORT TRADING LIMITED****CIN: U60232TG2008PLC057692****Statement of Cash flows for the period ended 31st March, 2023****(Rupees in Hundreds)**

<b>PARTICULARS</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit/ (Loss) after tax as per Statement of Profit and Loss	(5,538)	(56,737)
Add: Provision for current tax and deferred tax	-	(194)
Net profit/(Loss) before taxation	(5,538)	(56,932)
<b>Add: Adjustment for Non-Cash and Non-Operating Items:</b>		
Depreciation	-	1,202
Impairment Allowances On Land Revaluation	-	52,600
<b>Operating profits/ (Loss) before working capital changes</b>	<b>(5,538)</b>	<b>(3,129)</b>
<b>Changes in Working Capital:</b>		
<b>Current Assets :</b>		
(Increase)/Decrease in Sundry debtors	-	8,012
(Increase)/Decrease in Inventories	-	43,30,612
(Increase)/Decrease in Other current Financial Assets	(2,396)	(6,311)
(Increase)/Decrease in Other current Tax Assets	-	5,12,369
(Increase)/Decrease in Other current Assets	11,524	(6,541)
<b>Current Liabilities :</b>		
Increase/(Decrease) in Other Current Liabilities	137	137
Increase/(Decrease) in Other Financial Liabilities	(14,822)	(50,231)
Increase/(Decrease) in Trade payables	(2,503)	(1,92,564)
<b>Cash generated from operations</b>	<b>(13,598)</b>	<b>45,92,354</b>
Taxes Paid (Net of Refund)	-	(927)
<b>Net Cash flow from Operating Activities (A)</b>	<b>(13,598)</b>	<b>45,93,281</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Proceeds from Sale of Assets	-	1,41,052
Loans & Advances	(23,550)	-
Investment in/Proceeds from bank Fixed Deposit (Net)	1,824	(29,011)
<b>Net Cash from Investing Activities (B)</b>	<b>(21,726)</b>	<b>1,12,041</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Increase/(Decrease) in Short term Borrowings	-	-
Finance Cost	-	-
<b>Net Cash from Financing Activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net Increase / (Decrease) in Cash and Cash equivalents [(A)+(B)+(C)]</b>	<b>(35,325)</b>	<b>47,05,322</b>
Cash and Cash equivalents in the beginning of the year	1,04,590	1,87,709
Cash and Cash equivalents in the end of the year	69,265	1,04,590

**Notes :**

1. Cash flow statement has been prepared under the indirect method as set out Indian Accounting standard - 7 "Statement of Cash Flow"
  2. Previous year figures have been regrouped / reclassified, where ever necessary.
- The Notes form an integral part of these Financial Statements

**In terms of our report of even date**

**For Laxminivas & Co.**  
Chartered Accountants  
Firm Regn No. 011168S

**Guharoy Ashish Kumar**  
Partner  
Membership No.- 018659  
Place: Hyderabad  
Date: May 16, 2023

**For and on behalf of the Board**

**Anish T Mathew**  
Director  
DIN: 07995480

**Vivek Agarwalla**  
Director  
DIN: 09889287



**GATI IMPORT EXPORT TRADING LIMITED**

CIN: U60232TG2008PLC057692

Statement of Changes in Equity for the year ended March 31, 2023

**A) Equity Share Capital**

Particulars	(Rupees in Hundreds)
Balance as at April 1, 2022	2,30,000
Changes in Equity Share Capital due to prior period errors	-
Restated Balance as at April 1, 2022	2,30,000
Changes in equity share capital during the year	-
Balance as at 31st March, 2023	2,30,000
Balance as at April 1, 2021	2,30,000
Changes in Equity Share Capital due to prior period errors	-
Restated Balance as at April 1, 2021	2,30,000
Changes in equity share capital during the year	-
Balance as at 31st March, 2022	2,30,000

**B) Other Equity**

Particulars	Share application money pending allotment	Equity component of compound Financial Instruments	Reserves and Surplus	Equity instrument through other comprehensive income	Other of other comprehensive income	Money received against share warrant	Total Other Equity
			Securities Premium	Capital Reserve	General Reserve	Retained Earnings	
Balance at April 1, 2021	-	-	-	-	-	(1,20,308)	(1,20,308)
Changes in Accounting Policy or Prior period errors	-	-	-	-	-	-	-
Restated Balance as at April 1, 2021	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	-	(56,737)	(56,737)
Dividends	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-
Balance at March 31, 2022	-	-	-	-	-	(1,77,046)	(1,77,046)
Changes in Accounting Policy or Prior period errors	-	-	-	-	-	-	-
Restated Balance as at April 1, 2021	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	-	(5,538)	(5,538)
Dividends	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-
Balance at March 31, 2023	-	-	-	-	-	(1,82,583)	(1,82,583)

The accompanying notes form an integral part of these financial statement

**In terms of our Report of even date**

For Laxminivas & Co.

Chartered Accountants

Firm Regn No. 011168S



*(Signature)*

Guhanoy Ashish Kumar

Partner

Membership No. - 018659

Place: Hyderabad

Date: May 16, 2023



For and on behalf of the Board

*(Signature)*

Anish T Mathew

Director

DIN: 07995480

Vivek Agarwalla

Director

DIN: 09839287



**GATI IMPORT EXPORT TRADING LIMITED**  
**CIN: U60232TG2008PLC057692**

**4. Other Intangible Assests**

**(Rupees in Hundreds)**

<b>Particulars</b>	<b>Softwares</b>	<b>Total</b>
<b>As at 1st April 2021</b>	<b>1,202</b>	<b>1,202</b>
Charge for the year	1,202	1,202
Disposals/ Adjustments for year	-	-
<b>Balances as at 31st March 2022</b>	<b>1,202</b>	<b>1,202</b>
<b>Net Book Value as at 31st March, 2022</b>	<b>-</b>	<b>-</b>
<b>As at 1st April 2022</b>	<b>-</b>	<b>-</b>
Charge for the year	-	-
Disposals/ Adjustments for year	-	-
<b>Balances as at 31st March 2023</b>	<b>-</b>	<b>-</b>
<b>Net Book Value as at 31st March, 2023</b>	<b>-</b>	<b>-</b>



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**GATI IMPORT EXPORT TRADING LIMITED**  
**CIN: U60232TG2008PLC057692**  
**NOTES TO THE FINANCIAL STATEMENTS**

NOTES TO THE FINANCIAL STATEMENTS

(Rupees in Hundreds)

Notes	PARTICULARS	As at March 31, 2023	As at March 31, 2022				
5	<b>DEPOSITS</b> Deposits with Bank More than 12 Months Security Deposits	3,329 100 3,429	- 503 503				
6	<b>INVENTORIES</b> Stock in Trade Provision For Stock (At lower of cost and net realizable value)	56,291 (56,291) -	56,291 (56,291) -				
7	<b>TRADE RECEIVABLES</b> Unsecured , considered good Considered Good Provision for Bad Debts	5,617 (5,617) -	5,737 (5,737) -				
Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2023							
Particulars		Outstanding from due date of payment as on March 31, 2023					
		Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
<u>Undisputed</u>							
Considered good		-	-	-	-	-	-
Which have significant increase in credit risk		-	-	-	-	-	-
Credit impaired		-	-	759	-	4,857	5,617
<u>Disputed</u>							
Considered good		-	-	-	-	-	-
Which have significant increase in credit risk		-	-	-	-	-	-
Credit impaired		-	-	-	-	-	-
<b>Less: Loss allowance</b>		-	-	(759)	-	(4,857)	(5,617)
<b>Total</b>		-	-	-	-	-	-
Particulars		Outstanding from due date of payment as on March 31, 2022#					
		Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
<u>Undisputed</u>							
Considered good		-	-	-	-	-	-
Which have significant increase in credit risk		-	-	-	-	-	-
Credit impaired		431	448	-	3,762	1,095	5,737
<u>Disputed</u>							
Considered good		-	-	-	-	-	-
Which have significant increase in credit risk		-	-	-	-	-	-
Credit impaired		-	-	-	-	-	-
<b>Less: Loss allowance</b>		(431)	(448)	-	(3,762)	(1,095)	(5,737)
<b>Total</b>		-	-	-	-	-	-
( # ) Ageing is from the date of transaction which is different from the due date.							
8	<b>CASH AND CASH EQUIVALENTS</b> Cash in Hand Balances with Banks In Current Accounts In Deposit Accounts	(Rupees in Hundreds)					
		-	-	-	-	-	-
		69,265	1,04,590	-	-	-	-
		69,265	1,04,590	-	-	-	-
9	<b>Bank Balances other than above</b> Deposit with Banks with more than 3 months	27,187	29,011	-	-	-	-
		27,187	29,011	-	-	-	-
10	<b>OTHER CURRENT FINANCIAL ASSETS</b> Interest Accrued but not yet received	370	899	-	-	-	-
		370	899	-	-	-	-
11	<b>Loans &amp; Advances</b> Inter-Corporate Deposits (ICD's)	23,550	-	-	-	-	-
		23,550	-	-	-	-	-



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**GATI IMPORT EXPORT TRADING LIMITED**  
**CIN: U60232TG2008PLC057692**  
**NOTES TO THE FINANCIAL STATEMENTS**

		(Rupees in Hundreds)	
Notes	PARTICULARS	As at March 31, 2023	As at March 31, 2022
12	<b>OTHER CURRENT ASSETS</b> Input Tax Credit Receivable (a) Other Receivables Tax Deduction at Source Statutory Dues  (a) Inclusive of GST Blocked credit of Rs.10,056/-	67,114 1,099 584 - 68,796	75,049 - 883 4,388 80,320
13	<b>ASSET CLASSIFIED - HELD FOR SALE</b> Free Hold Land	3,948 3,948	3,948 3,948
<p>Note:</p> <p>1. The Company Gati Import Export Trading Limited ('GIETL') owned and possessed a parcel land admeasuring 4 Kanals 16 Marlas under Kila No. 19/1/1(5-1) of 131 / 137 part Bakdar at Mauja Prithala, Haryana.</p> <p>2. Out of the total land owned by GIETL an area admeasuring 13 Marlas has been acquired by the department of Dedicated Freight Corridor Corporation of India Limited ('DFCCIL') for public purposes ("Land in Acquisition") vide its inter departmental notification no. 199 dated 12.11.2020.</p> <p>3. GIETL became the owner of the revised area of 04 Kanal 03 Marla ("Left Over Land") and the entire parcel of the Left Over Land was sold to the Buyer / Transferee by GIETL during FY 2021-22.</p> <p>4. The compensation award to be paid to the land owners in respect of the Land in Acquisition is pending for publication by the Dept. of Railways / DFCCIL, as a result the Left Over Land admeasuring 4 Kanal 3 Marla land, was transferred to the Buyer / Transferee by way of execution of Agreement to Sale and General Power of Attorney.</p> <p>5. In addition to the above, GIETL has also obtained a Declaration cum Undertaking from the Buyer / Transferee that GIETL shall be solely entitled for the receipt of the entire compensation award in respect of the Land in Acquisition and the Buyer / Transferee shall not raise any claim, demand or monetary benefit in respect of the Land in Acquisition anytime in the future.</p>			
14	<b>SHARE CAPITAL</b> <b>Authorised</b> 50,00,000 Equity Shares of Rs.10/- each <b>Issued,Subscribed and Paid-up :</b> 23,00,000 Equity Shares of Rs.10/- each fully paid up	2,30,000	2,30,000
<p>The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the the share holders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.</p>			
<b>(a) Reconciliation of the number of shares outstanding:</b>			
<b>Particulars</b>		<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>
		<b>No. of shares</b>	<b>Rupees</b>
Shares at the beginning of the year		23,000	23,000
Shares at the end of the year		23,000	23,000
<b>(b) Details of shareholders holding more than 5 % shares</b>			
<b>Particulars</b>		<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>
		<b>No. of shares</b>	<b>% of Holding</b>
Gati Ltd and Nominees		23,000	100%
<b>Total</b>		<b>23,000</b>	<b>100%</b>
<b>(c) Details of shareholdings by the Promoter's</b>			
		(Rupees in Hundreds)	
<b>Particulars</b>		<b>As at 31st March, 2023</b>	<b>As at 31st March, 2022</b>
		<b>No. of shares</b>	<b>% of Holding</b>
Gati Ltd		22,994	100%
Mahendra Kumar Agarwal(Nominee of Gati Limited)		1	0%
Peter H Jayakumar (Nominee of Gati Limited)		1	0%
Laxmi Narain Kumawat (Nominee of Gati Limited)		1	0%
N K Pandey (Nominee of Gati Limited)		1	0%
MD Maheen Kannu (Nominee of Gati Limited)		1	0%
Ramesh Sivaraman (Nominee of Gati Limited)		1	0%
<b>Total</b>		<b>23,000</b>	<b>100%</b>
15	<b>OTHER EQUITY</b> Retained Earnings As per last Balance Sheet Transfer from Statement of Profit and Loss during the year	(1,77,046) (5,538) (1,82,583)	(1,20,308) (56,737) (1,77,046)



*Signature*

**GATI IMPORT EXPORT TRADING LIMITED**  
**CIN: U60232TG2008PLC057692**  
**NOTES TO THE FINANCIAL STATEMENTS**

(Rupees in Hundreds)

(Rupees in Hundred)

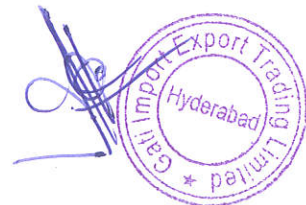
Notes	PARTICULARS	As at March 31, 2023	As at March 31, 2022			
16	<b>TRADE PAYABLES</b>					
	For Goods and Services					
	Total outstanding dues other than micro enterprises and small enterprises	1,24,935	1,27,438			
		1,24,935	1,27,438			
	Trade Payables Ageing Schedule - Based on the requirements of Amended Schedule III					
		Outstanding for following Periods as on March 31, 2023#				
	Particulars	Upto 1 Year	1-2 years	2-3 years	More than 3 years	Total
	Total outstanding dues of MSME	-	-	-	-	-
	Total outstanding dues of creditors other than MSME	-	410	19,353	1,05,172	1,24,935
	Disputed dues of MSME	-	-	-	-	-
	Disputed dues of creditors other than MSME	-	-	-	-	-
	<b>Total</b>	-	410	19,353	1,05,172	1,24,935
		Outstanding for following Periods as on March 31, 2022#				
	Particulars	Upto 1 Year	1-2 years	2-3 years	More than 3 years	Total
	Total outstanding dues of MSME	-	-	-	-	-
	Total outstanding dues of creditors other than MSME	410	19,353	93,037	14,638	1,27,438
	Disputed dues of MSME	-	-	-	-	-
	Disputed dues of creditors other than MSME	-	-	-	-	-
	<b>Total</b>	410	19,353	93,037	14,638	1,27,438
	(#):Ageing is from the date of transaction which is different from the due date.					
17	<b>OTHER FINANCIAL LIABILITIES</b>					
	Payable to others				1,819	2,157
	Provision For Sales Tax				22,238	36,723
					24,058	38,880
18	<b>OTHER CURRENT LIABILITIES</b>					
	Statutory Dues				137	-
					137	-





**GATI IMPORT EXPORT TRADING LIMITED**
**CIN: U60232TG2008PLC057692**
**NOTES TO FINANCIAL STATEMENTS**
**(Rupees in Hundreds)**

Notes	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
19	<b>Revenue from operations</b>		
	Sale of Hotel Supplies	-	1,620
	Other Sales	-	-
	<b>TOTAL</b>	-	<b>1,620</b>
20	<b>Other Income</b>		
	Interest on Deposits	2,887	3,428
	Other Income	119	562
	Bad Debts Recovery	120	50,129
	Liabilities No Longer Required - Written Back	8,383	-
	Sundry Credit Balances written back	-	1,702
	<b>TOTAL</b>	<b>11,509</b>	<b>55,822</b>
21	<b>Purchase of Stock in Trade</b>		
	Hotel Supplies	-	43
	<b>TOTAL</b>	-	<b>43</b>
22	<b>Changes in Inventories of Stock in trade</b>		
	Inventories at the beginning of the year	56,291	57,741
	Lesss: Purchase returns	-	-
	Inventories at the end of the year	56,291	56,291
	<b>TOTAL</b>	-	<b>1,450</b>
23	<b>Operating Expenses</b>		
	Warehousing Charges	-	1,013
	Freight Charges	-	25
	Other Operating Expenses	-	2,573
		-	<b>3,611</b>
24	<b>Depreciation and Amortization Expenses</b>		
	Depreciation Expenses for the year	-	1,202
		-	<b>1,202</b>
25	<b>Other Expenses</b>		
	<b>Administrative Expenses</b>		
	Rent	332	12
	Provision for Expiry Stock	-	41,856
	Consultancy expenses (a)	1,600	23
	Bank Charges	161	54
	Misc Expenses (b)	14,382	12,168
	Impairment Allowances On Land Revaluation	-	52,600
	Travelling & Conveyance Exp	-	1
	<b>Payment to Auditors:</b>		
	-Audit Fees	500	1,250
	Rates & Taxes	73	104
		<b>17,047</b>	<b>1,08,067</b>
	Note:		
	(a) Rs.350/- pertains to proir period expenses		
	(b) Sales tax expenses amount for Rs. 891/- and Damages for Rs.486/-, GST Expenes for Rs.7,466/- and TDS Expenses for Rs.4,388/-		
26	<b>Earnings Per Share</b>		
	<u>Basic and Diluted</u>		
	Net Profit for the year	(5,538)	(56,737)
	Weighted Average number of Equity Shares	23,000	23,000
	Par Value per share	10.00	10.00
	<b>Earnings per Share</b>	<b>(0.24)</b>	<b>(2.47)</b>



**GATI IMPORT EXPORT TRADING LIMITED****CIN: U60232TG2008PLC057692****NOTES TO FINANCIAL STATEMENTS****(Rupees in Hundreds)**

Notes	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
27	<b>Contingent liabilities and commitments</b> Claim against the Company not acknowledged as debt - Indirect tax demand disputed in appeals <b>TOTAL</b>	  1,81,089 <b>1,81,089</b>	  2,11,009 <b>2,11,009</b>
28	<b>Going Concern</b> The company has reported Net loss amounting to Rs.5,538 during the year and having positive net worth amounting to Rs. 47,416 as on the year ended 31st March 2023. However, The financial statements of the company have been prepared on going-concern basis. The financial statements of the company have been prepared on going-concern basis as it is expected to receive financial support from Gati Ltd(Holding Co.) & the management of Holding company are planning to take over the Company and absorb all the liabilities.		
29	Segment Reporting is not applicable		
30	Previous year numbers are regrouped or rearranged wherever applicable		
31	There is no Significant impact on the company due to Covid -19		



**GATI IMPORT EXPORT TRADING LIMITED**  
**CIN: U60232TG2008PLC057692**

**32. Notes to Accounts**

**Related Party Disclosures**

Related parties with whom transactions have taken place during the year:

**Holding Company**

Gati Limited

**Subsidiary of Holding Company / Associate to Holding Company**

Gati - Kintetsu Express Private Limited

Gati Ship Limited

(Rupees in Hundreds)

S.No.	Nature of Transaction	FY 2022-23		FY 2021-23		Total	
		Holding Company	Subsidiary of Holding Company	Holding Company	Subsidiary of Holding Company	FY 2022-23	FY 2021-22
a.	<b><u>Expenditure</u></b>						
	Freight & Others Charges	-	-	-	25	-	25
	Salary & Bonus	-	-	-	-	-	-
	Rent	332	-	12	-	332	12
b.	<b><u>Expenditure</u></b>						
	Interest income on ICD	-	1,221	-	-	1,221	-
c.	<b><u>Balances at year end</u></b>						
	<b><u>Sundry Creditors :</u></b>						
	Freight & Others Charges	-	-	-	-	-	-
	Rent payable	-	-	-	-	-	-
	Salary & Bonus Payable	-	-	-	-	-	-
d.	<b><u>Other Receivable / ICD :</u></b>						
	Inter Corporate Deposit	-	23,550	-	-	23,550	-
	(ICD given to Gati Ship Ltd for Rs.42,050/- on 21st June,2022 and Repayment by Gati Ship Ltd for Rs.18,500/- on 30th, Jun,2022, Balance Yet to be receipt for Rs.23,550)						
	Interest Receivable	-	1,099	-	-	1,099	-



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**GATIIMPORT EXPORT TRADING LIMITED**  
CIN: U60232TG2008PLC057692

33 Notes to Financial Statements for the year ended March 31, 2023

S.No	Particulars	Formula	Numerator	Denominator	Current Year	Previous year	Variance	Comments
a	Current Ratio	Current Assets / Current Liabilities	1,93,117	1,49,130	129%	132%	-2%	Due to the decreased in current assets as compare to last year
b	Debt Equity ratio	Total debt / Total Shareholder's Equity	1,49,130	47,416	315%	314%	0%	Due to the decreased in liabilities as compare to last year
c	Debt service coverage ratio	Net Operating Income / Total Debt Service Costs (loan + interest + lease payments, due in upcoming year)	-	-	0%	0%	0%	NA
d	Return on Equity Ratio	(Net Income - Preference Share Dividends)/ Total (or Average) Shareholder's Equity	(5,538)	47,416	-12%	-107%	-89%	Due to Impairment allowance taken against Land sale
e	Inventory turnover ratio	Annual Cost of Goods Sold/ Average Inventory (Op + Cl / 2)	-	-	0%	0%	-100%	Provision created for Non-Movable goods
f	Trade Receivables turnover ratio	Net Credit Sales / Average TR	-	-	0%	0%	0%	Business operations were stopped
g	Trade payables turnover ratio	Net Credit Purchases / Average TP	-	1,24,935	0%	1%	-100%	Business operations were stopped
h	Net capital turnover ratio	Turnover / Net capital	-	43,987	0%	3%	-100%	Business operations were stopped
i	Net profit ratio,	Net Profit / Turnover	(5,538)	11,509	-48%	-99%	-51%	Due to Provisions for Stock and Impairment allowance for Land sale
j	Return on Capital employed	EBIT / Capital Employed	(17,047)	47,416	-36%	-213%	-83%	Due to Provisions for Stock and Impairment allowance for Land sale
k	Return on investment	EBIT / Investment	(17,047)	-	0%	0%	0%	NA

