

2021-22

ANNUAL REPORT

GATI-KINTETSU EXPRESS PRIVATE LIMITED

Contents

01

Corporate Information**02**

Notice**09**

Directors' Report**25**

**Independent
Auditor's Report****36**

Balance Sheet**37**

**Statement of
Profit and Loss****38**

Cash Flow Statement**40**

**Statement of Changes
in Equity****41**

**Notes to the Financial
Statements**

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 Sudhakar Hegde | - Chairman & Managing Director |
| 2. Ms. Sheela Bhide | - Independent Director |
| 3. Mr. Nilesh Shivji Vikamsey | - Independent Director (appointed w.e.f May 18, 2021) |
| 4. Mr. Masaru Kobayashi | - Nominee Director (appointed w.e.f June 01, 2021) |
| 5. Mr. Vibhu Prakash Annaswamy | - Nominee Director (appointed w.e.f June 01, 2021) |
| 6. Mr. Dinesh Kumar Lal | - Additional Independent Director (appointed w.e.f February 01, 2022) |
| 7. Mrs. Arathi Shetty | - Additional Director (appointed w.e.f May 19, 2022) |

KEY MANAGERIAL PERSONNEL

- | | |
|--------------------------|---|
| 1. Mr. Pirojshaw Sarkari | - Chief Executive Officer (appointed w.e.f August 02, 2021) |
| 2. Mr. Anish T Mathew | - Chief Financial Officer (appointed w.e.f May 19, 2022) |
| 3. Mrs. 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) Federal Bank Limited
- 3) DCB Bank Limited
- 4) IndusInd Bank Limited
- 5) Axis Bank Limited
- 6) Standard Chartered Bank
- 7) ICICI Bank Limited
- 8) State Bank of India
- 9) Syndicate Bank
- 10) TATA Capital Financial Services Limited
- 11) The South Indian Bank Limited
- 12) Kotak Mahindra Prime Limited
- 13) Bank of Baroda
- 14) HDFC Bank Limited
- 15) Tata Motors Finance Limited
- 16) HP Financial Services (India) Private Limited
- 17) Capsave Finance Private Limited
- 18) Rent Alpha Private Limited

Notice

Notice is hereby given that the 15th (Fifteenth) Annual General Meeting (AGM) of the members of Gati-Kintetsu Express Private Limited (CIN: U62200TG2007PTC056311) ("the Company") will be held on Monday, September 12, 2022 at 3.00 pm through Video Conferencing (VC) or Other Audio Visual Means (OAVM) for which purpose the Registered office of the Company 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, 2022 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, 2022 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. Adarsh Sudhakar Hegde (DIN: 00035040), 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. Adarsh Sudhakar Hegde (DIN: 00035040), who retires by rotation at this meeting, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

3. To appoint/re-appoint Statutory Auditors of the Company and fix their remuneration, if thought fit, approve and pass the following resolution with or without modification(s), as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), on the recommendation of the Audit Committee, the Board of Directors of the Company be and is hereby accorded their consent for the appointment of M/s S.R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration No.: 101049W/E300004), as the Statutory Auditors of the Company, in place of the retiring Statutory Auditors, M/s. Singhi & Co., Chartered Accountants (ICAI Firm

Registration No.: 302049E), to hold office for a term of five consecutive years from the conclusion of Fifteenth Annual General Meeting till the conclusion of Twentieth Annual General Meeting of the Company to be held in the year 2027."

"RESOLVED FURTHER THAT the annual remuneration of ₹ 35,00,000/- (Rupees Thirty Five Lacs Only) for the financial year 2022-23, plus out of pocket expenses and applicable taxes should be paid, and the remuneration for the subsequent year(s) of their term shall be determined based on the recommendation of the Audit Committee and as mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

SPECIAL BUSINESS:

4. To consider appointment of Mrs. Arathi Shetty (DIN: 00088374) as Director on the Board of Directors of the Company and, if thought fit, approve and pass the following resolution with or without modification(s), as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions if any, of the Companies Act, 2013 ("the Act") and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mrs. Arathi Shetty (DIN: 00088374) who was appointed as an Additional Director of the Company in terms of Section 161 of the Act, by the Board of Directors with effect from May 19, 2022 and holds office upto the date of this Annual General Meeting, 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 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

"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."

5. To consider appointment of Mr. Dinesh Kumar Lal (DIN: 00037142) as an Independent Director on the Board of Directors of the Company and, if thought fit, approve and pass the following resolution with or without modification(s), 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. Dinesh Kumar Lal (DIN: 00037142), who was appointed as an Additional Director on the Board of Directors of the Company in terms of Section 161(1) of the Companies Act, 2013 ("the Act") and whose term of office expires at the ensuing Annual General Meeting and who meets the criteria of Independence as provided under 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 February 01, 2022 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."

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

**TS Maharani
Company Secretary
Membership No.: F8069**

**Place: Hyderabad
Date: July 29, 2022**

NOTES:

- 1) In view of the Ministry's General 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, General circular no. 19/2021 dated December 08, 2021, General circular no. 21/2021 dated December 14, 2021 and General Circular No. 2/2022 dated May 05, 2022 in relation to "Clarification of holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") permitted the companies whose Annual General Meeting (s) ("AGM") are due in the year 2022 through VC / OAVM on or before December 31, 2022, 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 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 Business 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 2021-22 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 2021-22 will also be available on the Company's website: www.gatikwe.com.
- 7) Details of Director 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 to maharani.ts@gati.com.
- 9) Company will be providing facility for voting at 15th AGM through VC/OAVM facility.
- 10) Members will be able to attend the AGM through VC/OAVM provided by the Company.
- 11) Members who need assistance before or during the AGM, can contact Mrs. TS Maharani at maharani.ts@gati.com/+91-8008559799.
- 12) 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.
- 13) The Register of Directors 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.
- 14) 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.
- 15) 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.
- 16) 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.
- 17) 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.

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

**TS Maharani
Company Secretary
Membership No.: F8069**

**Place: Hyderabad
Date: July 29, 2022**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4: Appointment of Mrs. Arathi Shetty (DIN: 00088374) as Director on the Board of Directors of the Company.

The Board of Directors of the Company has appointed Mrs. Arathi Shetty (DIN: 00088374) as an Additional Director of the Company with effect from May 19, 2022 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company. In terms of the provisions of Section 161(1) of the Act, Mrs. Arathi Shetty would hold office up to the date of the ensuing Annual General Meeting.

The Company is in receipt of the notice in writing from a member proposing the candidature of Mrs. Arathi Shetty for the office of Director of the Company.

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 she is not disqualified from being appointed as a Director in terms of Section 164(2) 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.

The Board upon the recommendation of the Nomination and Remuneration Committee, vide its Meeting held on May 19, 2022 has approved the appointment of Mrs. Arathi Shetty as Non-Executive, Non-Independent Director and recommends the same for the approval by the Shareholders of the Company.

Except Mrs. Arathi Shetty, Mr. Shashi Kiran Shetty – Chairman and Managing Director of Gati Ltd, Holding Company and Mr. Adarsh Sudhakar Hegde – Chairman and Managing Director of the Company, no other Directors or their relatives are concerned or interested, financial or otherwise, in the Resolution set out at Item No. 4 of this Notice.

Other information about Mrs. Arathi Shetty, pursuant to Secretarial Standard-2 on General Meetings issued by ICSI are attached as Annexure to the Notice.

Item No 5: Appointment of Mr. Dinesh Kumar Lal (DIN: 00037142) as an Independent Director on the Board of Directors of the Company.

The Board of Directors upon the recommendation of the Nomination and Remuneration Committee, appointed

Mr. Dinesh Kumar Lal (DIN: 00037142) as an Additional Director with effect from February 01, 2022 pursuant to Section 161(1) of the Companies Act, 2013 ("the Act") and as an Independent Director pursuant to Section 149 of the Companies Act, 2013. In terms of the provisions of Section 161(1) of the Companies Act, 2013, Mr. Dinesh Kumar Lal will hold office only upto the date of ensuing Annual General Meeting.

The Company has received consent in writing from Mr. Dinesh Kumar Lal, 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) of the Act. 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. Dinesh Kumar Lal 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. Dinesh Kumar Lal, 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 February 01, 2022.

The Board upon the recommendation of the Nomination and Remuneration Committee, vide its Meeting held on February 01, 2022 has approved the appointment of Mr. Dinesh Kumar Lal as an Independent Director and recommends the same for the approval by the Shareholders of the Company.

Except Mr. Dinesh Kumar Lal, no other Director of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 5 of this Notice.

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

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

**TS Maharani
Company Secretary
Membership No.: F8069**

**Place: Hyderabad
Date: July 29, 2022**

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. Adarsh Sudhakar Hegde (DIN: 00035040)	
Age	59
Qualifications	Bachelor's degree in Mechanical Engineering from Nitte Education Trust, Mangalore
Experience (including expertise in specific functional area) / Brief Resume	He started his career as an Assistant Maintenance Engineer with Eastern Ceramics Private Limited, Mumbai in 1987 and has served the organization in various capacities. He has experience in the field of logistics close to three decades. He is designated as Joint Managing Director of Allcargo Logistics Limited. His business acumen and vision in logistics business, advanced and modern management proficiency quality drives him as an ideal business leader. He has played a key role in designing and implementing various systems and procedures, which resulted in exponential growth opportunities for the Company.
Terms & Conditions of Appointment	As per the appointment letter
Remuneration Last Drawn (FY 2021-22)	₹ 1,50,00,000/- (Rupees One Crore and Fifty Lacs Only)
Remuneration proposed to be paid	As per the appointment letter
Date of first appointment on the Board	October 5, 2020
Shareholding in the Company as on March 31, 2022	-
Relationship with other Directors	Sister - Mrs. Arathi Shetty - Non-Executive Director
Number of meetings of the Board attended during the financial year (2021-22)	4
Directorships of other Boards as on March 31, 2022	➤ Allcargo Logistics Limited ➤ Avvashya Supply Chain Private Limited ➤ Avvashya CCI Logistic Park Private Limited ➤ Container Freight Station Association of India ➤ Contech Logistics Solutions Private Limited ➤ Transindia Logistic Park Private Limited ➤ Avvashya CCI Logistics Private Limited ➤ Allcargo Multimodal Private Limited ➤ ECU International (Asia) Private Limited ➤ Alltrans Logistics Private Limited ➤ Indport Maritime Agencies Private Limited; ➤ Transindia Freight Services Private Limited
Membership/Chairpersonship of Audit/ Stakeholders Committees of other Boards as on March 31, 2022	➤ Allcargo Logistics Limited - Stakeholders Relationship Committee

Mrs. Arathi Shetty (DIN: 00088374)

Age	57
Qualifications	Graduate in Arts
Experience (including expertise in specific functional area) / Brief Resume	Mrs. Arathi Shetty is the Director of Allcargo Logistics Limited ("Allcargo") since its incorporation. Mrs Shetty has an experience of over 22 years in the business of logistics. Mrs Shetty spearheads the sustainability initiatives of Allcargo under the Avashya Foundation. Mrs Shetty is responsible for devising policies and identifying projects as per the 6 key focus areas of the CSR activities of the Company. Mrs Shetty has been renowned for her contribution to social causes as well as supporting and giving to those in need.
Terms & Conditions of Appointment	Not Applicable
Remuneration Last Drawn (FY 2021-22)	Not Applicable
Remuneration proposed to be paid	-
Date of first appointment on the Board	May 19, 2022
Shareholding in the Company as on May 19, 2022	-
Relationship with other Directors	Husband - Mr. Shashi Kiran Shetty – Chairman and Managing Director of Gati Ltd, Holding Company Brother - Mr. Adarsh Sudhakar Hegde – Chairman and Managing Director of the Company
Number of meetings of the Board attended during the financial year (2021-22)	Not Applicable
Directorships of other Boards as on May 19, 2022	➤ Allcargo Logistics Limited ➤ Agl Warehousing Private Limited ➤ Contech Logistics Solutions Private Limited ➤ Allcargo Inland Park Private Limited ➤ Allcargo Oil & Gas Private Limited ➤ Malur Logistics And Industrial Parks Private Limited ➤ Allcargo Terminals Limited (Formerly Known As Allcargo Terminals Pvt. Ltd. And Allcargo Projects Pvt. Ltd.) ➤ Allcargo Shipping Services Private Limited ➤ Avash Builders And Infrastructure Private Limited ➤ Jupiter Precious Gems And Jewellery Private Limited ➤ N. R. Holdings Private Limited ➤ Prominent Estate Holdings Private Limited ➤ Sealand Crane Private Limited ➤ Talentos (India) Private Limited ➤ Transindia Freight Private Limited ➤ Pirkon Properties Private Limited
Membership/Chairpersonship of Audit/Stakeholders Committees of other Boards as on May 19, 2022	➤ Allnet Financial Service Private Limited ➤ Talentos Entertainment Private Limited ➤ Avashya Corporation Private Limited ➤ Avashya Holding Private Limited ➤ Alltrans Logistics Private Limited ➤ Indport Maritime Agencies Private Limited ➤ Hoskote Warehousing & Industrial Parks Private Limited

Mr. Dinesh Kumar Lal (DIN: 00037142)	
Age	70
Qualifications	Graduate (B. Com- Hons)
Experience (including expertise in specific functional area) / Brief Resume	Mr. Dinesh Kumar Lal is a shipping and logistics professional with more than 4 decades of experience in the Shipping Industry. He is renowned for his astute knowledge about Shipping Industry. His management skills and entrepreneurial spirit has driven many conglomerates to achieve pinnacle of success during his tenure. He played a pivotal role in creating a mutually beneficial ground between companies and government bodies. Some of the famed quasi Government projects in India were established under his guidance and participation. He is an avid golfer and has special interest in vintage cars. He has won many tournaments.
Terms & Conditions of Appointment	Not Applicable
Remuneration Last Drawn (FY 2021-22)	Not Applicable
Remuneration proposed to be paid	-
Date of first appointment on the Board	February 01, 2022
Shareholding in the Company as on February 01, 2022	-
Relationship with other Directors	Not related to any of the Directors of the Company
Number of meetings of the Board attended during the financial year (2021-22)	Not Applicable
Directorships of other Boards as on February 01, 2022	➤ Lotus Court Limited ➤ Speedy Multimodes Limited ➤ Raymond Limited ➤ Raymond Apparel Limited ➤ Gati Limited ➤ Shefali Farms Private Limited ➤ Ami Global Logistics Private Limited ➤ Hi-Tos Liner Agency Private Limited ➤ Alert Agencies And Investments Private Limited ➤ Santusht Credit Capital And Finance Private Limited ➤ Eden Realtors Private Limited ➤ Chembur Golf Welfare Foundation
Membership/Chairpersonship of Audit/ Stakeholders Committees of other Boards as on February 01, 2022	➤ Raymond Limited ➤ Gati Limited

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, 2022.

1) FINANCIAL HIGHLIGHTS

(₹ in lakhs)

Particulars	2021-22	2020-21
Total Income	125314	101681
Profit before Finance Cost, Depreciation, Exceptional items & Taxation	4650	3785
Less : Finance cost	2220	2582
Less : Depreciation	3217	3136
Profit/ Loss before Tax & Exceptional Items	(787)	(1933)
Less: Exceptional Items	2518	4151
Profit/ Loss before Tax	(3305)	(6084)
Less : Total Tax Expenses	(701)	(1718)
Profit/ (Loss) after Tax	(4006)	(4366)
Other Comprehensive Income for the year (net of tax)	(313)	(246)
Total Comprehensive Income for the year	(4319)	(4612)

Your Company has provided Ind-AS Financials for the year ended 31st March, 2022 along with comparable as on 31st March 2021.

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 ₹ 1,25,314 Lakhs, EBITDA of ₹ 4,650 Lakhs and PAT of ₹ (4,006) Lakhs against a revenue of ₹ 1,01,681 Lakhs, EBITDA of ₹ 3,785 Lakhs and PAT of ₹ (4,366) Lakhs in the previous year.

6) BUSINESS PERFORMANCE

With the lockdowns imposed due to COVID-19 in initial months of FY21-22, the \$210 Billion Indian

domestic logistics market was again taken by shock specifically impacting the transportation sector, due to strict restrictions on movement of goods vehicle coupled with intense labour crisis. However, despite hurdles and challenges Gati-KWE stood resilient and strong with the focus on being customer centric, proactive and at pace with the constantly changing environment.

Catering to the B2B & Retail markets, Gati has grown to be a pioneer and leader with decades of experience and deep understanding of the complexities of today's growing time sensitive market demands and business expectations with cost-effective and technologically enabled services. The year on year revenue growth has been +23% driven by a significant improvement in service level performance and customer satisfaction. The EBITDA and PBT grew at +24% and +100% respectively showing the resilience and recovery made by the business in the past year.

Express distribution Services

Gati-KWE's Express service offers a complete range of express distribution services for the unique needs of different business and consumer segments that gives our customers the flexibility to choose as per their business needs with strengths in providing customized & cost effective distribution services for time sensitive parcels, freight and special cargo movement, by both surface and air, with additional special services catering to a wide spectrum of industry segments spanning Auto, Engineering, Consumer, Retail, E-commerce, Electronics and Pharmaceuticals, amongst many others.

Surface freight

With more than 5000 vehicles operating across the country in a well-developed wide network that is optimized via route planning system & 24/7/365 service level monitoring, our deliveries are further strengthened by 24x7 customer care & online tracking systems providing sms and e-mail updates to customers for their shipments in transit enabling reliability, high efficiency, safety and trust in Gati's express cargo delivery network. Our 19 Express distribution Centers and 85 Gati-KWE distribution warehouses that work in a hub and spoke model ensures on time and seamless delivery at ~19000 pincodes and allows us to serve +650 districts across our country.

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, Gati-KWE supports customers with reliable and cost effective air express solutions.

Gati Air in the past year has strengthened connections to all of India's commercial airports and we have partnerships with India's leading domestic airlines which creates a 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.

An all-inclusive logistics services that delivers excellence, Gati-KWE's bouquet of technology-enabled services on the foundation of web-based GEMS (Gati-KWE Enterprise Management Services), highly trained and motivated workforce and the inherent sense of dedication and perfection has made Gati-KWE India a leading name in Express Distribution Services.

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

Being customer centric & cultivating a resilient supply chain and has been Gati-KWE core competency that has paved the way ahead and will continue to lend strength for the coming months with emphasis towards:

- Continued focus to be our customers preferred one stop solution providers for Express distribution

- Expand our growing robust operating network for access & reach across all parts of the country
- Emphasis on service, quality & digitization as an enabler & differentiator
- Enhanced use of technology to facilitate automation and modernization of all Gati-KWE facilities
- Value creation and acting proactively with Environmental, Social and Governance (ESG), Gati-KWE's vision to enhance and provide sustainability as a key imperative with initiatives such as - transition to a large proportion of EV's in First Mile and Last Mile by 2025, Solar Roof top and Rainwater harvesting at operating facilities, etc.

9) GLOBAL MACROECONOMICS

The logistics sector globally has a market size of over USD 5.2 trillion as per a report from IMARC group. On an average, sector accounts for anywhere between 8-20% in various country's GDP. The Indian logistics sector contributes around 13% of GDP and the logistics market is observed to be growing at a faster pace than the economy, it is expected to maintain its CAGR of 8-10% in coming years.

Last decade has witnessed multi-fold changes in logistics landscape like implementation of GST, improvement in road infrastructure and high degree of automation leading to improvement in logistics efficiency. However, the pandemic and lock-downs did cause multiple hurdles & challenges that pushed organisations to build on resilience & agility in their business operations.

In 2022, you should expect to see an accelerated level of investment in critical supply chain planning capabilities by adoption more advanced digital enablers, such as cognitive planning and AI-driven predictive analytics as well as adding greater integrity and visibility into secure supply chains by using advanced track and trace and block chain technologies.

10) INDIA OUTLOOK

The trajectory set for India's economy by the previous year's budget has been reinforced in the Union Budget 2022-23. The capex budget has been increased by 35.4% over the current year's budget predictions, amounting to 4.1% of GDP, which will fuel Gati Shakti's National Masterplan for seamless multimodal connectivity continues to be the key focus area for augmenting transportation and logistics infrastructure. Government focus on driving Public Private Partnership (PPP) projects and extension of Production Linked Incentive (PLI) schemes to new sectors is expected to drive growth in domestic

manufacturing and create more jobs. Initiatives such as reducing import duty and excise tax on fuel are some of the steps taken to reduce input costs and ease inflationary pressure on industry seven engines, bridging the infrastructure gap and making life easier. The growth forecast for 2022-23 is based on the premise that India is expected to continue its growth trajectory, however, recent geopolitical developments are impacting economic disruption in inflation rates. Given India's import dependence on crude oil, natural gas, and other commodities are key indicators to be closely watched, particularly given the evolving geopolitical situations.

11) INDIAN LOGISTICS SECTOR

Indian Logistics remain an integral part of the overall development of the economy. The sector has seen higher emphasis by Government on improving the logistics network by creating the right infrastructure and policies for the overall benefit of the industry with key emphasis on bringing the logistics cost down. India's logistics market is expected to expand at an annual compounded growth rate of 10-12% over the next five years. The total available market spread across surface, air, e-commerce, and contract logistics amount to ₹52,500 Crores approximately. Currently India's logistic cost is high which is targeted to reduce over the next five years. This reduction will be led by multiple initiatives like good infrastructure, increased compliance and efficient digital back bone.

Following are the key drivers:

- Strong demand from manufacturing (led by "Make in India" campaign), retail, automotive and pharmaceutical sectors and need for efficiency improvement in the newly created demand.
- Increasing shift of industry preferences towards integrated supply-chain services and other sophisticated solutions like inventory optimization and data analytics from isolated offerings like transportation or warehousing.
- Growth of e-commerce in India and demands for specialized needs of online delivery (amongst others, faster delivery, return management and cash-on delivery)

The logistics market is primarily comprised of transportation and warehousing, of which transportation accounts for majority of the share in Fiscal 2020. Organized players accounted for only ~10% of the logistics market in Fiscal 2020. Organized players are expected to grow at a CAGR of >25% between Fiscal 2020 and Fiscal 2026, taking their share to 17% by Fiscal 2026 of the logistics market (road transportation, warehousing & supply-chain services only). This shift is expected to be driven by

the ability of organized players to offer integrated services, network and scale-driven efficiencies and larger investments in technology and engineering, resulting in higher share of wallet with customers.

Growth Drivers for Organized Logistics players

Evolving B2C demand and consumption trends:

The rise in e-commerce was fuelled by growth in internet penetration and digital payments infrastructure across the country. Initially, the e-commerce activity was mainly related to major metro cities and urban centres, however over the past couple of years, e-commerce activity in the tier-2 and tier-3 cities as well as various towns spread across the country, has become the major driver in growth of the industry. The consumer expectations of shorter delivery time, smooth return policy and cheaper pricing has also resulted in increasing competition not only amongst various e-commerce firms but also across various industries. This has resulted in increasing pricing competition amongst different express industry players as companies focus on finding diverse means of reducing their logistics cost.

Value-Added Services

With the rise in competition, value-added services have become a necessity as against a luxury service provided by clients to their customers. The value-added services include picking, packaging, MIS reports, analytics service, mobile updates and online GPS enabled tracking, e-mail alerts among others. As the competition in the express industry increases, value added services are expected to play an ever increasing and important role in future growth of various companies.

Evolving B2B demand and consumption patterns

- **Evolving business models:** The emergence of new digital-native segments, new distribution channels and go-to market strategies such as direct-to-retail (D2R) and direct-to-consumer (D2C) are driving the need for innovation in the traditional B2B supply chain, with greater demand for supply-chain visibility, precision and value-added services.
- **Changing production trends:** Manufacturing accounts for 17% of India's GDP and has emerged as a high-growth sector on the back of strong push by the Indian Government through initiatives like Make in India, production linked incentives (PLI), Government tenders for domestically manufactured goods etc. As a result, Indian manufacturing has been transitioning from bulk commodities to non-commodity consumption-focused products which need faster go-to-market and more reliable and efficient logistics operations.

- **Emergence of new markets:** Economic growth of Tier-2+ towns is increasing demand for reliable turn-around times and efficiency comparable to larger urban centres, further driving the need for integrated, national logistics players.

Enabling regulatory and policy reforms

The Indian Government has undertaken several regulatory and policy reforms to drive economic growth, enhance general capital formation, support infra-development and facilitate ease of doing business. These measures are rationalizing the indirect tax structure, improving transportation infrastructure and expanding connectivity, thereby improving overall logistics efficiency. GST in particular has been a key factor in catalysing the growth of organized logistics in India. By eliminating state border checkpoints and compliance scrutiny, GST has facilitated smoother and faster flow of goods across the country and significantly reduced overall transportation costs.

Technology-driven supply chain transformation

Sub-scale and predominantly manual operations have led to under-investment in technology and data capabilities by most traditional Indian logistics players. This has prevented companies from responding to changing customer needs, optimizing networks, efficiently utilising capacity and improving customer service.

Data-driven decision support

Advanced data analytics capabilities when applied to integrated supply chain data has enabled new-age players to create more opportunities to optimize decisions such as facility placement, inventory management, fulfilment route selection, truck selection and fraud detection.

Hardware and software automation

Warehouse and Transportation Management Systems (WMS/TMS) are automating business workflows, reducing paperwork and improving operational visibility and precision. Further, 148 investments in automation and robotics are improving operational throughput and precision, thereby lowering human errors and operating costs.

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, SQS, Quality Circle and 5S principles. As a result of these, there has been a substantial increase in all service element and 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) DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Adarsh Sudhakar Hegde (DIN: 00035040), Director who retires by rotation and being eligible, has offered himself for re-appointment.

During the year under review:

- Mr. Seng Kok Tan (DIN: 02895454) resigned from the position of the Director of the Company with effect from June 01, 2021.
- Mr. Kazuhisa Kawamura (DIN: 03487832) resigned from the position of the Nominee Director of the Company with effect from June 01, 2021.
- Mr. Balasubramanian Aghoramurthy (DIN: 06960138) resigned from the position of Deputy Managing Director of the company with effect from August 11, 2021.
- Mr. Rohan Mittal, resigned from the position of the Chief Financial Officer of the company with effect from November 12, 2021.
- Mr. Nilesh Shivji Vikamsey (DIN: 00031213) was appointed as Non-Executive, Independent Director with effect from May 18, 2021.
- Mr. Masaru Kobayashi (DIN: 08960390) was appointed as the Nominee Director of the Company with effect from June 01, 2021.
- Mr. Vibhu Prakash Annaswamy (DIN: 07423494) was appointed as the Nominee Director of the Company with effect from June 01, 2021.
- Mr. Pirojshaw Sarkari was appointed as Chief Executive Officer (CEO) of the company with effect from August 02, 2021. He has been appointed as the CEO of the Holding Company (Gati Limited) as well.
- Mr. Dinesh Kumar Lal (DIN: 00037142) was appointed as Non-Executive, Independent Director with effect from February 01, 2022.

During the current year:

- Mrs. Arathi Shetty (DIN: 00088374) was appointed as Additional Non-Executive, Non-Independent Director with effect from May 19, 2022.
- Mr. Anish T Mathew was appointed as the Chief Financial Officer (CFO) of the Company with effect from May 19, 2022. He has been appointed as the CFO of the Holding Company (Gati Limited) as well.
- Mr. Ramachandran Rajaram (DIN: 01953653) has resigned from the position of Director (Non-Executive, Independent) with effect from April 27, 2022.

Apart from above, there has been no other changes with respect to the Board of Directors.

14) 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 Corporate Office of the Company. Any member interested in obtaining such information may write to the Company and the same will be furnished on request.

15) 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.

16) BOARD EVALUATION

The Board of Directors had appointed an Independent external agency i.e. HR Craft 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.

17) SEPARATE MEETINGS OF THE INDEPENDENT DIRECTORS

During the year under review, a meeting of the Independent Directors was convened on March 30, 2022, 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.

18) 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 of the company.

19) 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 at www.gatikwe.com

20) RELATED PARTY TRANSACTIONS

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 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.

21) 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

22) MEETINGS OF THE BOARD & COMMITTEES

During the financial year 2021-22, the Board met Four (4) times: on May 18, 2021, August 05, 2021, October 25, 2021 and February 01, 2022. 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 Sudhakar Hegde	4	4
2.	Mr. Nilesh Shivji Vikamsey [#]	4	4
3.	Mr. Dinesh Kumar Lal [^]	1	1
4.	Ms. Sheela Bhide	4	4
5.	Mr. Vibhu Prakash Annaswamy ^{##}	3	3
6.	Mr. Masaru Kobayashi ^{##}	3	3
7.	Mr. Balasubramanian Aghoramurthy [*]	2	2
8.	Mr. Ramachandran Rajaraman	4	4
9.	Mr. Seng Kok Tan ^{**}	1	1
10.	Mr. Kazuhisa Kawamura ^{**}	1	1

^{*} Mr. Balasubramanian Aghoramurthy had resigned w.e.f August 11, 2021

^{**} Mr. Seng Kok Tan and Mr. Kazuhisa Kawamura had resigned w.e.f June 01, 2021

[#] Mr. Nilesh Shivji Vikamsey was appointed w.e.f May 18, 2021

^{##} Mr. Masaru Kobayashi and Mr. Vibhu Prakash Annaswamy were appointed w.e.f June 01, 2021

[^] Mr. Dinesh Kumar Lal was appointed w.e.f February 01, 2022

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

- a) **Audit Committee** –The committee met four times on May 18, 2021, August 05, 2021, October 25, 2021 and February 01, 2022.
- b) **Nomination & Remuneration Committee** –The Committee met two times on April 19, 2021 and February 01, 2022
- c) **Corporate Social Responsibility Committee** –The Committee met once on May 18, 2021

23) AUDIT COMMITTEE

Pursuant to the provisions of the Companies Act, 2013 and rules made thereunder, your company has re-constituted Audit Committee comprising of the following Members:

S. No.	Name	Position
1	Mr. Nilesh Shivji Vikamsey	Chairman-Independent Director
2	Mr. Vibhu Prakash Annaswamy	Member-Nominee Director
3	Mr. Dinesh Kumar Lal	Member-Independent Director

24) 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.

25) 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 Complaints Committee.

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 2021-22, no complaint or allegation on The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

26) 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 01, 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, 2022, 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, 2022 and of the profit and loss of the Company for the financial year ended March 31, 2022;
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, 2022;
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.

27) EXTRACT OF ANNUAL RETURN

Pursuant to sub-section (3) of Section 92 of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as at March 31, 2022 in Form MGT-7 is available on the website of the Company at www.gatikwe.com

28) 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.

29) 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, 2022, which forms part of the Statutory Auditors' Report.

30) 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.

31) AUDITORS

a) Statutory Auditors

M/s. Singhi & Co., Chartered Accountants, shall retire at the conclusion of the ensuing 15th Annual General Meeting of your Company and the Board recommends the appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 101049W/E300004) as the Statutory Auditors of the Company, in place of the retiring Statutory Auditors for a period of 5 years commencing from the conclusion of the ensuing Annual General Meeting till the conclusion of 20th Annual General Meeting to be held in the year 2027 in terms of Section 139 & 141 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

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 and other accounting principles generally accepted in India.

The Auditors' Report for the financial year ended March 31, 2022 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.

b) Secretarial Auditor

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. Puttaparthi Jagannatham & Co., to undertake the Secretarial Audit of your Company. The Report of the Secretarial Audit is annexed as **Annexure – B**.

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

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

33) HUMAN RESOURCES

Human Resources (HR) strategy has an integral role to play in the success of the Organization's Vision. This has been the 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 have initiated various learning interventions to meet talent requirement across various levels and functions such as GTRN (Graduate Trainee) Program, BDET (Business Development Executive Trainee) Program, Back2Basics (byte-sized customized chunks of continuous learning capsules) 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 behavioural interventions. We have a diverse talent base of 3432 high-calibre Gati'ites of which **Gen Y comprises 64%** of workforce. Our online, classroom-based and blended training interventions covered all **3432 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 third 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**.

34) 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, 2022) and the date of the report (May 19, 2022);
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 Sudhakar Hegde

Place: Hyderabad Chairman and Managing Director
Date: May 19, 2022 DIN: 00035040

Annexure-A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FY 2021-22

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	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. The CSR policy of the company is available on the website of the company i.e., http://www.gatikwe.com/wp-content/uploads/2018/07/Gati-KWE-CSR-Policy.pdf																								
2. The Composition of the CSR Committee	<table><tr><th>S.No.</th><th>Name of the Director</th><th>Designation and Nature of Directorship</th><th>Number of meetings of CSR Committee held during the year</th><th>Number of meetings of CSR Committee attended during the year</th></tr><tr><td>1</td><td>Mr. Vibhu Prakash Annaswamy</td><td>Chairman - Nominee Director</td><td>1</td><td>0</td></tr><tr><td>2</td><td>Ms. Sheela Bhide</td><td>Member – Non Executive Independent Director</td><td>1</td><td>1</td></tr><tr><td>3</td><td>Mr. Adarsh Sudhakar Hegde</td><td>Member- Managing Director</td><td>1</td><td>0</td></tr></table>					S.No.	Name of the Director	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. Vibhu Prakash Annaswamy	Chairman - Nominee Director	1	0	2	Ms. Sheela Bhide	Member – Non Executive Independent Director	1	1	3	Mr. Adarsh Sudhakar Hegde	Member- Managing Director	1	0
S.No.	Name of the Director	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. Vibhu Prakash Annaswamy	Chairman - Nominee Director	1	0																					
2	Ms. Sheela Bhide	Member – Non Executive Independent Director	1	1																					
3	Mr. Adarsh Sudhakar Hegde	Member- Managing Director	1	0																					
3. Weblink for CSR Policy and approved CSR Projects	CSR Policy https://www.gatikwe.com/wp-content/uploads/2021/12/GKEPL-CSR-Policy.pdf CSR Projects https://www.gati.com/csr/																								
4. Impact Assessment of CSR Projects Carried out, if any	No Impact assessment was carried out by the company during the year as the company does not have an average CSR Obligation of ₹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	₹ 18,63,88,998/-																								
7. (a) Two percent of average Net Profit as per Sec 135(5)	₹12,42,593/-																								
(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 2021-22	₹ 12,42,593/-																								

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
	12,43,266/-	Nil	Nil	Nil	Nil
(b) Amount spent against ongoing projects for the FY 2021-22	NIL				
(c) Amount spent against other than ongoing projects for the FY 2021-22	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 FY 2021-22	12,43,266/-				
(g) Excess amount for set off, if any	NIL				
9. (a) Details of Unspent CSR amount for the preceding three financial years.	NIL				
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 2021-22.				

Table A-Details of CSR amount spent against other than ongoing projects for the financial year 2021-22:

(1) S. No	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/ No)	(5) Location of the project.		(6) Amount spent for the project (in ₹).	(7) Mode of implementation - Direct (Yes/ No).	(8) Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Reg. No.
1	Gati Government High School, Banjara Hills, Hyderabad	Education	Yes	Hyderabad,	Telangana	1,34,683	Direct		NA
2	Gati Government High School, Banjara Hills, Hyderabad	Education	Yes	Hyderabad,	Telangana	19,241	Direct		NA
3	MD Nishak	Weaver community development	No	Rajouli, Nawada,	Bihar	24,000	Direct		NA
4	Reppalle Giddanna	Weaver community development	No	Rajouli, Nawada,	Bihar	14,000	Direct		NA
5	Gati Government High School, Banjara Hills, Hyderabad and Zilla Parishad High School, Miyapur, Hyderabad	Education	Yes	Hyderabad,	Telangana	9,48,266	Direct		NA
6	Gati Government High School, Banjara Hills, Hyderabad and Zilla Parishad High School, Miyapur, Hyderabad	Education	Yes	Hyderabad,	Telangana	26,076	Direct		NA
7	Siraboina Bhavani	Education	Yes	Hyderabad,	Telangana	77,000	Direct		NA
TOTAL						12,43,266			

Adarsh Sudhakar Hegde
Chairman & Managing Director
DIN: 00035040

Vibhu Prakash Annaswamy
Chairman, CSR Committee
DIN: 07423494

Place: Hyderabad
Date: May 19, 2022

Annexure-B

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 2022

To
The Members of
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, 2022 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, 2022 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:

- (iv) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to the Board and General Meeting.
- (v) During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above
- (vi) 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/ CEO 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

- (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.
Company Secretaries

CS Navajyoth Puttaparthi
Partner

FCS No: 9896; C P No: 16041

Place: Hyderabad Peer Review Certificate No. 1158/2021
Date: 18th May, 2022 UDIN F009896D000338004

*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 of
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.
Company Secretaries

CS Navajyoth Puttaparthi
Partner

FCS No: 9896; C P No: 16041

Place: Hyderabad Peer Review Certificate No. 1158/2021
Date: 18th May, 2022 UDIN F009896D000338004

Annexure-C

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. Phasing out of vehicles undergone aging of 5 years and ensuring new vehicles inducted in the network BS IV or above.
2. On feeder routes we are in process of replacing vehicles with CNG vehicles to be more fuel efficient in turn contribute towards energy conservation.
3. We are exploring EV and LNG run vehicles and in touch with players working in this space so that we are the first ones to implement.
4. Few operational improvements will have direct impact on reduced no of trips and distance travelled by the trucks which in turn will reduce energy consumption, these improvements are:
 - Laser focus on capacity utilization of vehicles so that available vehicles are utilized optimally
 - Validation of existing routing profile and tune it so that efficient routing is achieved for each shipment movement.
5. We are developing Eco. Driving training module focusing on activities leading to energy conservation for e.g. avoid idling of engine, tuning of filters, Tyre pressure etc. for the team (Drivers, supervisors) of our network partners.

B) TECHNOLOGY ABSORPTION:

CRM - Salesforce:

Gati successfully implemented CRM - Salesforce for both our sales, customer service and call center users. Both the Sales & Service modules of Salesforce CRM has been seamlessly integrated with our internal core application software Gati Enterprise Management Software (GEMS) and Omni channels like Whatsapp, website, customer portal, consumer mobile application, call center telephony and social listening tool. The new CRM gives Gati 360 degree visibility to the customer from all channels and enabled Gati to serve our customers faster and better.

Digital Payments:

Gati successfully rolled out digital payment option for customers through its booking, delivery mobile applications and payment SMS link. All our business partners are using this facility through our pickup and delivery mobile application. This initiative helps us to deliver shipment contact less and to get the amount transferred instantly.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

The company have following Foreign exchange earnings and outgo during the year 2021-22:

Particulars	Amount in ₹
Inward Remittance	40,77,299
Outward Remittance	2,01,41,588

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, 2022, the Statement of Profit and Loss, (including the statement of 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, 2022, its loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR 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.

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 for the financial year ended March 31, 2022. 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.

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
1	Impairment of Goodwill (See Note 5 to the financial statements)	
	The Company holds goodwill of ₹12,506 lakhs on the statements of financial position.	Our audit with respect to impairment testing of goodwill included the following:
	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.	- Engaging 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.
2	Recoverability of Trade Receivable (See Note 12 to the financial statements)	
	The gross balance of trade receivables as at March 31, 2022 amounted to ₹26,953 lakhs.	Our audit with respect to determining recoverability of Trade Receivables included the following:
	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.	- 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.
3	Reasonableness of carrying amount of Assets held for sale (See Note 17 to the financial statements)	
	The Company has classified assets earmarked for disposal as Assets held for sales. Assets held for sales carried at lower of cost or fair value. Fair value has 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.	Our audit with respect to determining carrying value of Assets held for sales included the following: - 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 preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board'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 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.

The 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 skepticism 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 for the financial year ended March 31, 2022 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, 2020 ("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 the Statement of 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 with reference to financial statements 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, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and

- (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) 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.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, 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 or entity, 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 (refer note – 51(v) to the financial statements);

- (b) The management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the company from any person or entity, 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 (refer note – 51(vi) to the financial statements); and

- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

- v. The Company has not declared any dividend in the last year which has been paid in the current year. Further, no dividend has been declared in the current year.

For Singhi & Co.

Chartered Accountants

Firm's Registration No. 302049E

(Anurag Singhi)

Partner

Membership No. 066274

UDIN: 22066274AJGVYW4311

Date: May 19, 2022

Place: New Delhi

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) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (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 manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. 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 all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in 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.

(₹ In lakhs)

Description of property	Gross carrying value	Held in the name of	Whether title deed holder is a Promoter, director or relative of Promoter/ director or employee of promoter	Property held Since which date	Reason for not being held in the name of Company
Building (Pune)	194	Gati Ltd	Yes	Since 2012	Pending mutation of the property, acquired through Business transfer agreement entered into in 2012

- (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 (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii.
- (a) The Company is a service company, primarily rendering logistics services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii) (a) of the Order is not applicable.
- (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 been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the unaudited books of accounts of the Company except as follows (Refer note – 22 to the financial statements) :-

(₹ In lakhs)

Quarter	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/statement	Amount of difference*	Whether return/statement subsequently rectified
June 2021	Axis Bank, Indusind	Gross Trade	19,327	22,771	3,444	No
September 2021	Bank, Bank of Bharain	Receivables	23,438	28,333	4,895	No
December 2021	and Kuwait, Federal		26,044	27,889	1,845	No
March 2022	Bank, Standard chartered bank.		26,959	26,860	(99)	No

* Note: As explained by the management, the variances is on account of statement filed with the lenders on financial statement prepared on provisional basis.

- iii. 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 made any investments, provided 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 during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- 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 for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues in respect of goods and services tax though there has been a delay in few cases and is regular in depositing undisputed statutory dues, including Income Tax, provident fund, employees state insurance, service tax, duty of customs, cess, and other material statutory dues, as applicable, with the appropriate authorities though there have been slight delays in a few cases of professional tax.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable, except as mentioned below:

(₹ In lakhs)

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Due date	Date of payment	Remarks, if any
GST Act	GST	1189.00	FY-2017-18 to FY-2019-20	Various dates	Not yet paid	Refer Note 35(ii) to the financial statements
Professional Tax	Professional Tax	0.12	FY-2020-21	15/11/21	Not yet paid	Bihar
Professional Tax	Professional Tax	0.25	FY-2020-21	30/04/21	Not yet paid	Punjab
Professional Tax	Professional Tax	0.04	April 2021 to September 2021	30th June and 30th September	Not yet paid	Pondicherry

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any 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	343.41	AY-2014-15 AY-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 on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

ix.

- (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 has not defaulted in repayment of loans and borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) and (f) are not applicable.

x.

- (a) In our opinion, and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the

year. Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.

- (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 made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

xi.

- (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, a report under Section 143(12) of the Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) 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 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 Indian Accounting Standards (Refer Note No. 49).
- xiv.
- (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
 - (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv. According to the information and explanations given to us and as represented to us by the management 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 3(xv) of the Order is not applicable to the Company.
- xvi.
- (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
 - (b) The Company has not conducted non-banking / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
 - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
 - (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CIC's, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the current and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (refer note – 50 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub- section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable for reporting by the Company as it does not have any subsidiary, associate, or joint venture hence reporting under CARO 2020 is not applicable to it.

For Singhi & Co.

Chartered Accountants

Firm's Registration No. 302049E

(Anurag Singhi)

Partner

Date: May 19, 2022

Place: New Delhi

Membership No. 066274

UDIN: 22066274AJGVYW4311

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, 2022 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 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.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2022,

based on the internal financial control with reference to financial statements 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. However certain controls in respect of the revenue contract mapping needs to be further strengthened.

For **Singhi & Co.**

Chartered Accountants

Firm's Registration No. 302049E

(**Anurag Singhi**)

Partner

Membership No. 066274

UDIN: 22066274AJGVYW4311

Date: May 19, 2022

Place: New Delhi

Balance Sheet

as at March 31, 2022

(₹ in lakhs)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
NON CURRENT ASSETS			
Property, Plant and Equipment	4A	4,179	7,646
Right-of-use Asset	4B	16,739	5,460
Goodwill	5	12,506	12,506
Other Intangible Assets	6	450	549
Intangible Assets under Development	7	59	-
Financial Assets			
Other Financial Assets	8	871	449
Deferred Tax Assets (Net)	9	2,769	2,423
Non Current Tax Asset (Net)	10	6,525	7,596
Other Non-Current Assets	11	31	51
		44,129	36,680
CURRENT ASSETS			
Financial Assets			
Trade Receivables	12	22,479	18,441
Cash and Cash Equivalents	13	926	3,014
Bank Balances other than above	14	27	1,082
Other Financial Assets	15	1,800	2,891
Other Current Assets	16	2,909	3,083
Assets Classified - Held For Sale	17	8,127	7,470
		36,268	35,981
TOTAL ASSETS		80,397	72,661
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	18	50	50
Other Equity	19	25,570	29,889
TOTAL EQUITY		25,620	29,939
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	20	750	1,113
Lease Liabilities	21	14,000	4,942
Provisions	22	1,506	1,064
		16,256	7,119
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	23	14,080	14,633
Lease Liabilities	21	3,195	1,122
Trade Payables	24		
(a) Total outstanding dues of Micro and Small Enterprises		1,570	343
(b) Total outstanding dues of creditors other than Micro and Small Enterprises		8,353	7,950
Other Financial Liabilities	25	9,205	8,718
Other Current Liabilities	26	1,593	2,459
Provisions	27	525	377
		38,521	35,603
TOTAL LIABILITIES		54,777	42,722
TOTAL EQUITY AND LIABILITIES		80,397	72,661
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: New Delhi
Date: May 19, 2022

For and on behalf of the Board of Directors

Adarsh Hegde

Chairman & Managing Director
DIN: 00035040

Anish T Mathew

Chief Financial Officer
M. No. 211965

Place: Hyderabad
Date: May 19, 2022

Pirojshaw Sarkari

Chief Executive Officer

T S Maharani

Company Secretary
M No. F8069

Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in lakhs)

Particulars	Notes	Year Ended March 31, 2022	Year Ended March 31, 2021
(I) INCOME			
Revenue from Operations	28	124,232	101,185
Other Income	29	1,082	496
TOTAL INCOME (I)		125,314	101,681
(II) EXPENSES			
Operating Expenses	30	91,196	70,150
Employee Benefits Expense	31	15,291	15,084
Finance Costs	32	2,220	2,582
Depreciation and Amortization Expense	33	3,217	3,136
Other Expenses	34	14,177	12,662
TOTAL EXPENSES (II)		126,101	103,614
(III) PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)		(787)	(1,933)
(IV) Exceptional Items	35	2,518	4,151
(V) PROFIT/(LOSS) BEFORE TAX (III-IV)		(3,305)	(6,084)
(VI) TAX EXPENSES	36		
Current Tax		215	-
Deferred Tax		(241)	(1,718)
Tax related to earlier years		727	-
TOTAL TAX EXPENSES		701	(1,718)
(VII) PROFIT/(LOSS) FOR THE YEAR (V-VI)		(4,006)	(4,366)
(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		(418)	(329)
b) Income tax effect on above item		105	83
OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX)		(313)	(246)
(IX) TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VIII+VII)		(4,319)	(4,612)
EARNINGS PER EQUITY SHARE	43.		
[Nominal value per share ₹ 10/- (March 31, 2021: ₹ 10/-)]			
Basic (in ₹)		(801.23)	(873.23)
Diluted (in ₹)		(801.23)	(873.23)

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: New Delhi

Date: May 19, 2022

For and on behalf of the Board of Directors

Adarsh Hegde

Chairman & Managing Director

DIN: 00035040

Anish T Mathew

Chief Financial Officer

M. No. 211965

Place: Hyderabad

Date: May 19, 2022

Pirojshaw Sarkari

Chief Executive Officer

T S Maharani

Company Secretary

M No. F8069

Cash Flow Statement

for the year ended March 31, 2022

		(₹ in lakhs)	
PARTICULARS	Year ended March 31, 2022	Year ended March 31, 2021	
(A) Cash flows from Operating Activities			
Profit/(Loss) Before Taxes and after exceptional items as per Statement of Profit and Loss	(3,305)	(6,084)	
Adjustments for :			
Depreciation & Amortization expense	3217	3136	
Finance costs	2220	2582	
Loss on disposal of Property, Plant and Equipment(Net)	194	4225	
Loss On Asset Held for Sale Classification	850	-	
Profit / (Loss) on disposal of Assets Held for sale	(15)	-	
Interest Income from deposits with Bank	(19)	(70)	
Interest Income from unwinding of financial assets	(18)	-	
Interest on Income tax refund	(241)	(277)	
Allowance for Doubtful receivable	1514	747	
Allowance for other financial assets	11	219	
Bad debts and irrecoverable balances written off	43	102	
Provision for GST related expenses (Net of amount paid)	1189	-	
Bad debts written off - others	51	-	
Net loss on lease modification	47	-	
Allowance for Doubtful receivables - written back	(36)	(11)	
Liabilities no longer required - written back	(793)	(99)	
Operating profits before working capital changes	4909	4470	
(Increase) / Decrease in Trade Receivables	(5,277)	1,063	
(Increase) / Decrease in Other Current Assets	174	(1,851)	
(Increase) / Decrease in Other Current Financial Assets	1,023	846	
(Increase) / Decrease in Other Non Current Financial Assets	(857)	16	
(Increase) / Decrease in Other Non-Current Assets	14	30	
Increase / (Decrease) in Other current Liabilities	(866)	(871)	
Increase / (Decrease) in Trade Payables	2,141	(336)	
Increase / (Decrease) in Short Term Provisions	148	202	
Increase / (Decrease) in Other Current Financial Liabilities	(802)	4,809	
Increase / (Decrease) in Non Current Provisions	24	(19)	
Cash generated from operations	631	8,358	
Direct Tax paid (net of refunds)	370	350	
Net Cash Flows generated/(used) from Operating Activities	1001	8,708	
(B) Cash Flow from Investing Activities			
Interest Received	24	70	
Proceeds from sale of Property Plant and Equipment	141	184	
Proceeds from sale of Asset held for sale	1,352	278	
Purchase of Property Plant and Equipment including Capital work in Progress and Capital Advances	(828)	(657)	
Net ROU Direct cost	(19)	-	
Investment in Bank Fixed Deposits	1,055	(154)	
Net Cash Flows (used in)/generated from Investing Activities	1725	(279)	
(C) Cash Flow from Financing Activities			
Proceeds of Long Term Borrowings	-	939	
Repayment of Long Term Borrowings	(457)	(6,480)	
Movement in Short term borrowings (Net)	(459)	1,769	
Finance cost	(1,260)	(1,788)	

Cash Flow Statement

for the year ended March 31, 2022

(₹ in lakhs)

PARTICULARS	Year ended March 31, 2022	Year ended March 31, 2021
Payment of interest on lease liabilities	(962)	(794)
Payment of principal portion of lease liabilities	(1,677)	(974)
Net Cash Flows (used in)/generated from Financing Activities	(4,815)	(7,328)
Net Increase / (Decrease) in cash and cash equivalents (A + B + C)	(2,089)	1,101
Cash and Cash equivalents at the beginning of the year	3,014	1,913
Cash and Cash equivalents at the end of the year	926	3,014

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: -

(₹ in lakhs)

PARTICULARS	Year ended March 31, 2022	Year ended March 31, 2021
Cash on Hand	4	20
Balances with Banks in Current Accounts	922	2,994
Cash & Cash Equivalent as per Balance sheet (refer note no 13)	926	3,014

Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.

Particulars	Short Term Borrowings	Long Term Borrowings *	Lease liabilities	Interest Accrued but not due
Balance as at April 1, 2020	12,496	7,023	6,765	55
Cash Flow Changes (Net)	1,769	(5,541)	(974)	-
Interest expense	-	-	794	1,788
Interest paid	-	-	(794)	(1,824)
Others	-	-	273	-
Balance as at March 31, 2021	14,265	1,482	6,064	19
Cash Flow Changes (Net)	(459)	(457)	(1,677)	-
Interest expense	-	-	962	1,258
Interest paid	-	-	(962)	(1,260)
Others	-	-	12,808	-
Balance as at March 31, 2022	13,806	1,024	17,195	17

(*)Includes current maturities of long term borrowings

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

As per our report of even date

For and on behalf of the Board of Directors

For Singhi & Co.
Chartered Accountants
ICAI Firm Registration No: 302049E

Adarsh Hegde
Chairman & Managing Director
DIN: 00035040

Pirojshaw Sarkari
Chief Executive Officer

Anurag Singhi
Partner
Membership no: 066274

Anish T Mathew
Chief Financial Officer
M. No. 211965

T S Maharani
Company Secretary
M No. F8069

Place: New Delhi
Date: May 19, 2022

Place: Hyderabad
Date: May 19, 2022

Statement of Changes in Equity

for the Year Ended March 31, 2022

A) Equity Share Capital

(₹ in lakhs)

Particulars	No. of Shares	Amount
Balance as at March 31, 2020	500,000	50
Add/(Less): Changes in Equity Share Capital for the year ended March 31, 2021	-	-
Balance as at March 31, 2021	500,000	50
Add/(Less): Changes in Equity Share Capital for the year ended March 31, 2022	-	-
Balance as at March 31, 2022	500,000	50

B) Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus			Total
	Securities Premium	General Reserve	Retained Earnings	
Balance as at March 31, 2021	17,836	1,720	10,333	29,889
Profit/(Loss) for the year	-	-	(4006)	(4006)
Remeasurement gain/(loss) (net of deferred tax)	-	-	(313)	(313)
Balance as at March 31, 2022	17,836	1,720	6,014	25,570

(₹ in lakhs)

Particulars	Reserves and Surplus			Total
	Securities Premium	General Reserve	Retained Earnings	
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: New Delhi

Date: May 19, 2022

For and on behalf of the Board of Directors

Adarsh Hegde

Chairman & Managing Director

DIN: 00035040

Anish T Mathew

Chief Financial Officer

M. No. 211965

Place: Hyderabad

Date: May 19, 2022

Pirojshaw Sarkari

Chief Executive Officer

T S Maharani

Company Secretary

M No. F8069

Notes to financial statements

for the Year Ended March 31, 2022

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 1st April 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

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) read with Section 133 of the Companies Act, 2013 (the "Act"). The presentation of the Financial Statements is based on Division II 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;
- Employee Share Based payments - 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:

- (i) Defined benefit obligation
- (ii) Recognition of current tax and deferred tax
- (iii) Recognition and measurement of provisions and contingencies
- (iv) Fair value measurement of Financial instruments
- (v) Provision for Doubtful Debts and advances
- (vi) 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.

Notes on Financial Statements

for the Year Ended March 31, 2022

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.

2.7 Recent accounting pronouncements

Recent accounting pronouncements Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

- i. **Ind AS 103 – Reference to Conceptual Framework** - The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.
- ii. **Ind AS 16 – Proceeds before intended use** - The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.
- iii. **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract** - The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or

an allocation of other costs that relate directly to fulfilling contracts.

- iv. **Ind AS 109 – Annual Improvements to Ind AS (2021)** - The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to de-recognise a financial liability.
- v. **Ind AS 116 – Annual Improvements to Ind AS (2021)** - The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its financial statements.

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).
- The initial cost at cash price equivalent of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable costs of bringing the assets to its working condition and location and present value of any obligatory decommissioning costs for its intended 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.

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

Notes on Financial Statements

for the Year Ended March 31, 2022

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.

Goodwill arising on business combination is carried at cost as established at the transaction date of business combination.

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

Notes on Financial Statements

for the Year Ended March 31, 2022

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.

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.
- d) CGUs to which goodwill is allocated are tested for impairment annually on each balance sheet date, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the

Notes on Financial Statements

for the Year Ended March 31, 2022

carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit and then to the other assets of the unit pro rata on the basis of carrying amount of each asset in the unit. Goodwill impairment loss recognized is not reversed in subsequent period.

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.
- 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 off 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:

Revenue has been recognised when control over the services transfers to the customer i.e., when the customer has the ability to control the use of the transferred services provided and generally derive their remaining benefits. The requirement is that a contract with enforceable rights and obligations exists and, amongst other things, the receipt of consideration is likely, taking-into-account the customer's credit quality. The revenue corresponds to the transaction price to which

the Company is expected to be entitled. Variable consideration is included in the transaction price when it is highly probable that a significant reversal in the amount of revenue recognised will not occur and as soon as the uncertainty associated with the variable consideration no longer exists. The Company does not expect to have contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. Accordingly, the promised consideration is not adjusted for the time value of money.

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 asset are not reclassified subsequent to their initial recognition, except if and in the period the company changes its business model for managing financial asset. 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.

Notes on Financial Statements

for the Year Ended March 31, 2022

- **Financial assets at amortized cost:**

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

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

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

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

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

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

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

Financial assets included within the FVOCI 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.

Notes on Financial Statements

for the Year Ended March 31, 2022

▪ 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 financial assets which are not fair valued through Statement of Profit and Loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL at each reporting date, right from its initial recognition. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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.

Notes on Financial Statements

for the Year Ended March 31, 2022

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 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

Notes on Financial Statements

for the Year Ended March 31, 2022

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.

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.

Notes on Financial Statements

for the Year Ended March 31, 2022

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 on Financial Statements for the Year Ended March 31, 2022

4A. Property, Plant and Equipment

TANGIBLE ASSETS

Particulars	Gross Block				Accumulated Depreciation				Net Carrying Value		
	As at March 31, 2021	Addi- tions	Assets Reclassified to held for sale	Deductions/ Adjustment	As at March 31, 2022	As at March 31, 2021	Depreciation for the year	Assets Reclassified to held for sale	Deductions/ Adjustment	As at March 31, 2022	As at March 31, 2021
Freehold Land	2,369	-	2,369	-	-	-	-	-	-	-	2,369
Buildings	800	-	580	-	220	133	14	104	-	43	667
Lease Hold Improvements	-	78	-	-	78	-	1	-	-	1	-
Vehicles	879	8	-	596	291	346	63	-	272	137	533
Plant & Machinery	4,306	205	-	21	4,490	2,122	272	-	17	2,377	2,184
Computer	3,476	176	-	221	3,431	2,857	426	-	218	3,065	619
Furniture And Fittings	3,082	245	-	-	3,327	2,092	199	-	-	2,291	990
Office Equipment	2,169	91	-	2	2,258	1,885	119	-	2	2,002	284
Total	17,081	803	2,949	840	14,095	9,435	1,094	104	509	9,916	7,646

Particulars	Gross Block				Accumulated Depreciation				Net Carrying Value		
	As at March 31, 2020	Addi- tions	Assets Reclassified to held for sale	Deductions/ Adjustment	As at March 31, 2021	As at March 31, 2020	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	-	6,516	-	2,369	-	-	-	-	-	8,885
Buildings	4,543	-	3,743	-	800	651	82	600	-	133	3,892
Vehicles	4,388	-	2,378	1,131	879	932	434	531	489	346	3,456
Plant & Machinery	4,029	278	-	1	4,306	1,818	305	-	1	2,122	2,211
Computer	3,967	85	-	576	3,476	2,949	483	-	575	2,857	1,018
Furniture And Fittings	3,018	64	-	-	3,082	1,853	239	-	-	2,092	1,165
Office Equipment	2,122	57	-	10	2,169	1,695	200	-	10	1,885	427
Total	30,952	484	12,637	1,718	17,081	9,898	1,743	1,131	1,075	9,435	21,054

Notes:

- The amount of Contractual commitments for acquisition of property, plant and equipment is disclosed in Note. 37(I)(a)
- Refer Note 20, 21, 23 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, 2021 - Nil)
- Refer note 45 for detailed information on assets held for sale.
- No proceedings have been initiated on or are pending against the company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) [formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)] and Rules made thereunder.
- The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company, except for the following:

Notes on Financial Statements

for the Year Ended March 31, 2022

Relevant line item in the Balance Sheet	Description of item of Property	Gross Carrying Value	Title deeds held in the name of	Whether title deed holder is a Promoter, director or relative of Promoter/director or employee of promoter	Property held Since which date	Reason for not being held in the name of Company
Property, Plant and Equipment	Building - Pune	194	Gati Ltd	Yes	Since 2012	Pending mutation of the property, acquired through Business transfer agreement entered into in 2012.

(₹ in lakhs)

4B Right of use Assets (ROU)

Particulars	Gross Block			Accumulated Amortization			Net Carrying Value	
	As at March 31, 2021	Additions	Deductions/ Adjustment	As at March 31, 2021	Amortization for the year	Deductions/ Adjustment	As at March 31, 2022	As at March 31, 2021
Buildings	6,375	12,959	276	1,896	1,677	184	15,669	4,479
Vehicles under Finance Lease	1,335	-	7	480	166	4	686	855
Vehicles - ALD Cars	-	15	-	-	3	-	12	-
Computers - under Finance Lease	346	314	-	220	104	-	336	126
Plant & Machinery Leased	-	38	-	-	2	-	36	-
Total	8,056	13,326	283	2,596	1,952	188	16,739	5,460

(₹ in lakhs)

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

(₹ in lakhs)

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.

Notes on Financial Statements

for the Year Ended March 31, 2022

5. GOODWILL

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Goodwill	12,506	12,506
	12,506	12,506

Note: Goodwill represents excess of value of liabilities over value of assets acquired as per Business Transfer Agreement in the year 2011- 12.

6. OTHER INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Gross Block				Accumulated Amortization				Net Carrying Value	
	As at March 31, 2021	Addi- tions	Deduc- tions/ Adjustment	As at March 31, 2022	As at March 31, 2021	Amortization for the year	Deduc- tions/ Adjustment	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Computer Software	1,641	72	-	1,713	1,092	171	-	1,263	450	549
Total	1,641	72	-	1,713	1,092	171	-	1,263	450	549

(₹ in lakhs)

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

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, 2021 - Nil)

7. INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Software under Development	59	-
	59	-
Notes:		
Expenses during the year capitalized in respect of Intangible Assets under Development.		
a) Employee Benefit Expenses	-	-
b) Other Expenses	59	-
	59	-

Intangible assets under development ageing schedule

(₹ in lakhs)

	As at March 31, 2022				
	Less than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	Total
Projects in progress					
As at 31st March, 2022	59	-	-	-	59
As at 31st March, 2021	-	-	-	-	-
	59	-	-	-	59

Notes:

- Company does not have any overdue projects as of 31 March 2022.
- Company does not have any projects where its cost has exceeded its original budget value.

Notes on Financial Statements

for the Year Ended March 31, 2022

8. OTHER FINANCIAL ASSETS

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
(Unsecured, Considered Good)		
Non Current		
Security Deposit with Others	779	449
Deposit with Banks more than 12 months	37	-
Margin money with Banks more than 12 months	55	-
Total	871	449

9. DEFERRED TAX ASSETS (NET)

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Deferred Tax Assets (Net)	2,769	2,423
	2,769	2,423

9.1 Movement in Deferred Tax Assets and Liabilities during the year ended March 31, 2022 and March 31, 2021

Deferred Tax Balance in relation to	As at March 31, 2021	Recognised In Statement of Profit & Loss	Recognised In Other Comprehensive Income (OCI)	As at March 31, 2022
Deferred Tax Assets/(Liabilities)				
Property, plant and equipment	717	(480)	-	237
Allowances for Doubtful Receivables	1,034	762	-	1,795
Employee benefits - Gratuity and Leave Encashment	376	30	105	511
Other temporary Differences	296	(71)	-	225
Deferred Tax Assets/(Liabilities)	2,423	241	105	2,769

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

Notes on Financial Statements

for the Year Ended March 31, 2022

10. NON CURRENT TAX ASSET (NET)

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Tax Deducted at Source	12,820	14,439
Advance Tax	1,200	1,211
	14,020	15,650
Less : Provision for Income Tax	(7,495)	(8,054)
Total	6,525	7,596

11. OTHER NON-CURRENT ASSETS

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Capital Advances		
Unsecured, considered good	27	33
Unsecured, considered doubtful	59	59
	86	92
Less: Provision for doubtful advances	(59)	(59)
	27	33
Total (A)	27	33
Prepaid Expenses	4	18
Total (B)	4	18
Total (A) + (B)	31	51

12. TRADE RECEIVABLES

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Unsecured		
Considered good	22,479	18,441
(Including from Holding Company ₹ 101 lakhs, (March 31, 2021 ₹ 77 lakhs))		
Significant increase in credit risk	-	-
Credit impaired	4,480	3,002
Total	26,959	21,443
Less: Allowances for Doubtful Receivables (Refer Note 41B (i))	(4,480)	(3,002)
Total	22,479	18,441

Ageing for trade receivables as at 31st March, 2022

(₹ in lakhs)

	Outstanding for following periods from the date of transaction#						Total
	Unbilled	Less than 6 months	6 months - 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
i) Undisputed Trade receivables - Considered good	619	20,943	799	18	1	0	22,380
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables - Credit impaired	36	550	632	852	113	62	2,245

Notes on Financial Statements

for the Year Ended March 31, 2022

(₹ in lakhs)

	Outstanding for following periods from the date of transaction#						Total
	Unbilled	Less than 6 months	6 months - 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
iv) Disputed Trade receivables - Considered good	-	-	-	-	-	99	99
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables - Credit impaired	-	-	-	233	277	1,725	2,235
Gross Trade Receivables	655	21,493	1,431	1,103	391	1,886	26,959
Less: Allowances for Doubtful Receivables							(4,480)
Balance as on March 31, 2022							22,479

Ageing for trade receivables as at 31st March, 2021

(₹ in lakhs)

	Outstanding for following periods from the date of transaction#						Total
	Unbilled	Less than 6 months	6 months - 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
i) Undisputed Trade receivables - Considered good	229	17,478	496	25	-	6	18,234
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables - Credit impaired	-	215	241	315	48	18	837
iv) Disputed Trade receivables - Considered good	-	-	-	-	0	207	207
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables - Credit impaired	-	74	120	336	244	1,391	2,165
Gross Trade Receivables	229	17,767	857	676	292	1,622	21,443
Less: Allowances for Doubtful Receivables							(3,002)
Balance as on March 31, 2022							18,441

(#)Ageing is from the date of transaction which is different from the due date.

Note:

- No Trade receivables are due from directors and other officers of the company either severally or jointly with any other person.
- 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.
- The Carrying amount of trade receivables is pledged as security for borrowings. (Refer Note 23)
- Trade Receivables are non interest bearing and are generally with the credit period of 30 to 60 days.
- Wherever amounts are "0", the value is less than rupees fifty thousand.

13. CASH AND CASH EQUIVALENTS

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Cash on hand	4	20
Balance With Banks:		
- In Current accounts	922	2,994
	926	3,014

Notes on Financial Statements

for the Year Ended March 31, 2022

14. BANK BALANCES OTHER THAN ABOVE

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Balances with Bank held as margin money/ security	12	212
Deposit with Banks with more than 3 months but less than 12 months	15	870
	27	1,082

15. OTHER FINANCIAL ASSETS

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
(Unsecured, Considered Good unless otherwise stated)		
Security Deposit with Others	1,574	2,006
Security Deposit with Holding company	140	575
Advance to Employees	8	16
Interest Accrued on Deposit/ Investment	1	6
Earnest Money Deposits	10	10
Other Receivables*	67	278
(Including from Holding Company 26 Lakhs, March 31, 2021 - ₹ 101 Lakhs)		
* Includes management fees receivable from Holding Company, and other receivables from business partners		
Total	1,800	2,891

16. OTHER CURRENT ASSETS

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
(Unsecured, Considered Good unless Otherwise Stated)		
Advance Against supply of Goods & Services	2,120	3,056
Less: - Allowances on advances	(437)	(437)
	1,683	2,619
Prepaid Expenses	588	302
Balances with Statutory Authorities	638	162
	2,909	3,083

17 ASSETS CLASSIFIED - HELD FOR SALE

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Land & Building*	8,115	6,200
Commercial Vehicles*	12	1,270
(*) Refer Note 45		
	8,127	7,470

Notes on Financial Statements

for the Year Ended March 31, 2022

18. EQUITY SHARE CAPITAL

	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Authorized:				
Equity Shares of ₹ 10/- each	750,000	75	750,000	75
		75		75
Issued:				
Equity Shares of ₹ 10/- each fully paid up	500,000	50	500,000	50
		50		50
Subscribed and Paid-up:				
Equity Shares of ₹ 10/- each fully paid up	500,000	50	500,000	50
	500,000	50	500,000	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 31st March 2022, 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, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares of ₹ 10 each fully paid				
Shares at the beginning of the year	500,000	50	500,000	50
Shares at the end of the year	500,000	50	500,000	50

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

	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity Shares of ₹ 10 each fully paid held by Name of the Shareholders				
Gati Limited	350,000	70%	350,000	70%
Kintetsu World Express (S) Pte. Ltd.	130,000	26%	130,000	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.

i) Details of Promoters Shareholding

	As at March 31, 2022		As at March 31, 2021	
	Number of Shares holding	% of Shareholding	Number of Shares holding	% of Shareholding
Name of the Promoters				
Gati Limited	350,000	70%	350,000	70%
TOTAL	350,000	70%	350,000	70%

Notes on Financial Statements

for the Year Ended March 31, 2022

19. OTHER EQUITY

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Securities Premium	17,836	17,836
General Reserve	1,720	1,720
Retained Earnings	6,014	10,333
	25,570	29,889

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. NON CURRENT BORROWINGS

(₹ in lakhs)

	As at March 31, 2022		As at March 31, 2021	
	Non - Current	Current Maturities	Non - Current	Current Maturities
Secured				
i) Term Loan From Banks	720	219	939	125
ii) Term Loan From Others	-	-	38	109
iii) Vehicle Loan From Banks	30	41	106	72
iv) Vehicle Loan from Others	-	14	30	63
Total	750	274	1,113	369

Particulars of Nature of security

- i) Rupee Term loan carry an interest rate of 7.5 % p.a. and is secured by a second ranking charge on the entire current assets of the borrower both present and future on pari passu basis with the existing bankers. Rupee Term Loan from Bank is repayable in 47 monthly equal instalment of ₹ 23 lakhs (including interest) between April 2022 to February 2026.
- iii) & iv) Vehicle loans from Banks & other financial institutions carrying interest rates ranging between 8.65% - 9.25% and last tranche is repayable by the end of September 2024. Vehicles are hypothecated against these loans.

21 LEASE LIABILITIES

(₹ in lakhs)

	As at March 31, 2022		As at March 31, 2021	
	Non - Current	Current	Non - Current	Current
Lease Obligation (Refer Note 38)	14,000	3,195	4,942	1,122
Total	14,000	3,195	4,942	1,122

Notes on Financial Statements

for the Year Ended March 31, 2022

22. PROVISIONS

	As at March 31, 2022	As at March 31, 2021
(₹ in lakhs)		
Employee Benefits		
Gratuity (Refer Note 39)	1143	723
Leave Encashment	363	341
Total	1,506	1,064

23. CURRENT BORROWINGS

	As at March 31, 2022	As at March 31, 2021
(₹ in lakhs)		
Secured		
i) Working Capital facilities from Banks		
- Cash Credit/Working capital demand loan	13,806	14,265
ii) Current Maturities of Long-term Borrowings	274	369
Total	14,080	14,633

- 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 7.46%.

The Company has been sanctioned working capital facilities from banks on the basis of security of current assets. The company has filed quarterly returns/statements with such banks which are in agreement with the books of account other than those set below for FY 2021-22.

Quarter	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference*	Reason for difference
Jun-21	Axis Bank,		19,327	22,771	3,444	On account of statement filed with the lenders on financial statement prepared on provisional basis and also certain line items grouped under trade receivables are not being considered in the statement.
Sep-21	IndusInd		23,438	28,333	4,895	
Dec-21	Bank, Bank of		26,044	27,889	1,845	
Mar-22	Bharain and	Gross Trade	26,959	26,860	(99)	
	Kuwait, Federal Bank, Standard Chartered Bank	Receivables				

The Company has been sanctioned working capital facilities from banks on the basis of security of current assets. The company has filed quarterly returns/statements with such banks which are in agreement with the books of account other than those set below for FY 2020-21.

Quarter	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference*	Reason for difference
Jun-20	Axis Bank,		18,510	21,016	2,506	On account of statement filed with the lenders on financial statement prepared on provisional basis and also certain line items grouped under trade receivables are not being considered in the statement.
Sep-20	IndusInd		21,746	24,309	2,563	
Dec-20	Bank, Bank of		22,300	24,706	2,406	
Mar-21	Bharain and	Gross Trade	21,443	24,712	3,269	
	Kuwait, Federal Bank, Standard Chartered Bank	Receivables				

Notes on Financial Statements

for the Year Ended March 31, 2022

24. TRADE PAYABLES

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
For Goods and Services		
Total outstanding dues of micro enterprises and small enterprises (Refer Note No.40)	1,570	343
Total outstanding dues of creditors other than micro enterprises and small enterprises		
(a) Acceptances	-	128
(b) Others	8,353	7,822
	9,923	8,293

Ageing for trade payables as at 31st March, 2022

(₹ in lakhs)

	Outstanding for following periods from the date of transaction#					Total
	Unbilled	Less than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
i) Undisputed MSME	-	1,553	17	-	-	1,570
ii) Undisputed Others	2,552	5,075	433	214	79	8,353
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-
	2,552	6,628	450	214	79	9,923

Ageing for trade payables as at 31st March, 2021

(₹ in lakhs)

	Outstanding for following periods from the date of transaction#					Total
	Unbilled	Less than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
i) Undisputed MSME	-	337	5	1	-	343
ii) Undisputed Others including acceptances	4,427	2,989	371	123	40	7,950
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-
	4,427	3,326	376	124	40	8,293

(#)Ageing is from the date of transaction which is different from the due date.

25. OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Employee Related Liabilities	2,048	3,293
Security Deposits	2,910	2,786
Liability for Capital expenditure	100	-
Interest accrued but not due on borrowings	17	19
Others	4,130	2,620
	9,205	8,718

Notes on Financial Statements

for the Year Ended March 31, 2022

26. OTHER CURRENT LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Statutory dues	1,572	1,642
Others	21	817
	1,593	2,459

(₹ in lakhs)

27. PROVISIONS

	As at March 31, 2022	As at March 31, 2021
Employee Benefits		
Gratuity (Refer Note 39)	301	245
Leave Encashment	224	133
	525	377

(₹ in lakhs)

28. REVENUE FROM OPERATIONS

	Year ended March 31, 2022	Year ended March 31, 2021
Sale of Services		
Freight and other service charges [including from Holding Company ₹ 917 lakhs (Previous year ₹ 1197 lakhs)]	1,19,636	96,079
Supply Chain Management services	3,977	4,778
Total (A)	1,23,613	1,00,857
Other Operating Revenue		
Miscellaneous Income	255	175
Management fees	364	153
Total (B)	619	328
Grand Total (A) + (B)	1,24,232	1,01,185

(₹ in lakhs)

A. Revenue from contracts with customers disaggregated based on revenue streams.

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue based on product & services		
Revenue (Net Sale / Income from each Stream)		
a) Express Distribution	1,23,613	1,00,857
b) Other Operating Revenues	619	328
Total	1,24,232	1,01,185
Revenue based on Geography		
India	1,24,232	1,01,185
Overseas	-	-
	1,24,232	1,01,185

(₹ in lakhs)

Notes on Financial Statements

for the Year Ended March 31, 2022

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Reconciliation of Revenue from Operation with contract price		
Revenue as per contract price	1,28,966	1,05,671
Less:		
Discounts	(126)	(96)
Credit note	(2074)	(1841)
Unsatisfied performance obligation	(2534)	(2549)
Revenue from Operation	1,24,232	1,01,185

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, 2022 is ₹ 2534 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, 2022	Year ended March 31, 2021
Contract Assets	655	228
Trade receivables	26,959	21,443
Less: Impairment allowances	(4,480)	(3,002)
Total	22,479	18,441

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, 2022	Year ended March 31, 2021
Interest Income from financial assets at amortized cost		
Deposits with Bank	19	70
Interest on Income Tax refund	241	277
Unwinding of financial asset	18	-
Other Non Operating Income		
Rent	-	8
Bad debts recovery	-	8
Liabilities no longer required - written back	793	99
Others	11	34
Total	1,082	496

Notes on Financial Statements

for the Year Ended March 31, 2022

30. OPERATING EXPENSES

	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Freight	82,846	59,047
Vehicles' trip expenses	2,161	4,762
Handling Charges	2,390	1,791
Vehicles' taxes	32	50
Vehicles' Insurance	26	65
Tyres and Tubes	41	71
Supply Chain Management services	2,851	3,271
Claims for Loss & Damages (Net)	230	376
Other Operating Expenses	619	717
Total	91,196	70,150

31. EMPLOYEE BENEFITS EXPENSE

	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, Wages & Bonus	13,782	13,961
Contribution to Provident and Other Funds (Refer Note 39)	1,032	881
Expenses related to Share based payment schemes	31	-
Staff Welfare Expenses	446	242
Total	15,291	15,084

Notes;

- The Holding Company measures the cost of employee share based scheme and recovers this amount from the Company. The Holding Company has charged ₹ 31 lakhs towards compensation cost pertaining to the share based payment. The obligation under these schemes is included in note 25 "Other financial liabilities".
- Refer note 44 on excess managerial remuneration paid during the previous financial year.

32. FINANCE COSTS

	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest Expenses		
Term Loans	89	533
Working Capital Loans	1,164	1,247
Lease liabilities	962	794
Other Borrowing cost	5	8
Total	2,220	2,582

33. DEPRECIATION AND AMORTIZATION EXPENSE

	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on Property, Plant and Equipment (Refer Note 4A)	1,094	1,743
Depreciation on Right-of-Use Asset (Refer Note 4B)	1,952	1,232
Amortisation of Intangible Assets (Refer Note 6)	171	161
	3,217	3,136

Notes on Financial Statements

for the Year Ended March 31, 2022

34. OTHER EXPENSES

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Lease Rentals (Refer Note 38) (Including to Holding Company ₹ 412 lakhs Previous year ₹ 459 lakhs)	4,603	5,235
Rates and Taxes	174	452
Insurance	156	139
Telephone expenses	35	85
Printing and Stationery	289	218
Travelling expenses	292	187
Professional and Legal expenses	1,324	807
Management Fee	553	252
Advertisement Expenses	135	76
Office Maintenance and Repairs	1,706	1,455
Electricity Expenses	755	757
Automation Network Expenses	500	512
Gain or loss on lease modification	47	-
Loss on disposal of Property, Plant and Equipment (Net)	194	74
Directors' Sitting fees	4	6
Remuneration to Auditors (Note 34.1)	31	27
Allowance for Doubtful receivables	1,514	747
Allowance for other financial assets	11	219
Bad debts and irrecoverable balances written off	43	102
Less: - Provision for loss allowance recognized in earlier years	(36)	(11)
Bad debts written off - others	51	-
Corporate Social Responsibility Expenditure (Refer Note 34.2)	12	47
Miscellaneous Expenses	724	602
Total (A)	13,117	11,988
REPAIRS & MAINTENANCE		
Vehicles	130	65
Plant and Equipment	101	101
Buildings	26	17
Computers	803	491
Total (B)	1,060	674
Total (A) + (B)	14,177	12,662

34.1 Payment to Auditor (excluding Goods and Service Tax)

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Statutory Audit fees	16	15
Other matters	14	11
Reimbursement of out of Pocket Expenses	1	1
	31	27

Notes on Financial Statements

for the Year Ended March 31, 2022

34.2 Corporate Social Responsibility Expenditure

As per Section 135 of the Companies Act, 2013 ('Act'), a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are Education, Community, Environment Sustainability and Rural Development Projects & Donations. A CSR committee has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

- (a) During the year, the company has incurred ₹12 lakhs (previous year ₹47 lakhs) on account of Corporate Social Responsibility (CSR) included under Other Expenses.
- (b) Gross Amount required to be spent by the company during the year is ₹12 lakhs.
- (c) Amount of ₹12 lakhs, approved by the board to be spent during the year

(d) Amount spent during the year on:

	(₹ in lakhs)	
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(i) Construction/acquisition of any asset	-	-
(ii) 'On purpose other than (i) above	12	47
	12	47

(e) Unspent Amount:

Particulars	(₹ in lakhs)
Opening Balance as on April 01, 2021	-
Amount deposited in specified fund of schedule VII within 6 months	-
Amount required to be spent during the year	12
Less - Amount spent during the year	12
Closing Balance as on March 31, 2022	-

In accordance with the amendments with respect to the provisions of Corporate Social Responsibility ("CSR") provided under Section 135 of the Companies Act, 2013 with effect from January 22, 2021, the Board of the company has decided to continue as per the previous accounting practices adopted related to unspent CSR amount and not to carry forward for future years.

35. EXCEPTIONAL ITEMS

	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Loss on Asset Held for Sale Classification - Land & Building	850	3,459
Loss on Asset Held for Sale Classification - Commercial Vehicles	-	577
Loss on disposal of Property, Plant and Equipment (Net)	-	85
Loss / (Gain) on disposal of Asset held for sale	(15)	30
GST provision expenses related to Exempt GTA services	1,683	-
Total	2,518	4,151

The Exceptional items (non-recurring) of ₹ 2518 lakhs represents :

- i) 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" to the extent of ₹ 835 lakhs.
- ii) GST related expense provision provided in the current year, pertaining to earlier years based on a prudent management estimate of ₹1683 lakhs. Out of the above the company has paid ₹494 lakhs.

Notes on Financial Statements

for the Year Ended March 31, 2022

36. TAX EXPENSES

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit Before Tax	(3,305)	(6,084)
Income Tax recognised in Statement of Profit and Loss		
Current Tax	215	-
Deferred Tax	(241)	(1,718)
Tax related earlier years	727	-
Total	701	(1,718)
Income Tax recognised in Other Comprehensive Income		
Deferred tax expenses on remeasurements of defined benefit plans	(105)	(83)
Total	(105)	(83)
Grand Total	596	(1,801)
Profit/(loss) After Tax	(4,006)	(4,366)
Other Comprehensive Income (Net of Tax)	(313)	(246)
Total Comprehensive Income	(4,319)	(4,612)

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

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit before Tax	(3,305)	(6,084)
Applicable Tax Rate	25.17%	25.17%
Tax Expense*	(832)	(1,531)
Tax Effect of :		
Expenses non-deductible for tax purposes	2,327	2,421
Expenses allowable for tax purposes	(1,223)	(1,064)
Income Tax on capital gains at different rates	17	-
Other Adjustments	(315)	(1,544)
Total tax expense as per Statement of Profit and Loss	(26)	(1,718)
Effective Tax Rate*	0.8%	28.23%

* Excludes effect of adjustment of ₹ 727 Lakhs on account of tax related to earlier years (Previous year ₹ Nil lakhs).

36.2 The tax rate used for the March 31, 2022 and March 31, 2021 reconciliations above is the corporate tax rate of 25.17%, payable by corporate entities in India on taxable profits under section 115 BBA of the Income Tax Act, 1961

37. CONTINGENT LIABILITIES AND COMMITMENTS

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

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
(a) Claim against the Company not acknowledged as debt		
(i) Income tax Demand disputed in appeals (includes amount paid under protest and adjustments of ₹ 2040 lakhs, previous year - ₹1991 lakhs)	3,175	3,175
(ii) Indirect Tax demand disputed in appeals (#)	303	303
(iii) Pending Litigations	404	354
Total	3,882	3,832

Notes on Financial Statements

for the Year Ended March 31, 2022

Notes :

- a) 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 on receipt of judgements / decisions pending with various forums / authorities.
- b) 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.
- (#) Based on the expert legal opinion obtained by the company, management is of the view that company has a strong ground to defend the case, thereby, estimated interest of ₹ 825 lakhs pertaining to exceptional item of GST related expense provision has not been provided in books.

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
(b) Bank Guarantee (*)	421	369

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

- (c) 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, 2022, 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.
- (d) Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment 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.

(II) Commitments

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Commitment for acquisition of Property, Plant & Equipments and Intangible Assets (Net of advances)		
Towards Property, Plant & Equipment	850	20
Towards Intangible Assets	-	16
	850	36

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.

Movement in lease liabilities during the year ended March 31, 2022

	(₹ in lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities at the beginning of the year	6,064	6,765
Additions	12,808	456
Interest cost accrued during the year	962	794
Payment of lease liabilities	(2,639)	(1,768)
Deletion	-	(183)
Lease liabilities at the end of the year	17,195	6064

Notes on Financial Statements

for the Year Ended March 31, 2022

(b) Amount recognized in Profit or Loss

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest expense on lease liabilities	962	794
Depreciation expense of right-of-use assets	1,952	1232
Expense relating to short term leases (included in other expenses & operating expenses)	5,450	6301
	8,364	8,327

(c) Amounts recognised in the statement of cash flow

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Total cash outflow for leases	2,639	1,768

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

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Not later than one year	3,895	1,807
Later than one year but not later than five years	10,235	5,022
Later than five years	11,875	1,880
Total	26,005	8,709
Current lease liabilities	3,195	1,122
Non-current lease liabilities	14,000	4,942
Total Lease liabilities	17,195	6,064

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.

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

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
Statement of Assets and Liabilities for defined benefit obligation		
Net defined benefit obligation - Gratuity Plan	(1,637)	(1,377)
Net defined benefit asset - Gratuity Plan	193	409
Total employee benefit (liabilities) / Assets	(1,444)	(968)

(₹ in lakhs)

Defined contribution	As at March 31, 2022	As at March 31, 2021
Provident/Pension fund	697	721
Superannuation fund	0	13
Employee state insurance	103	120
	800	854

Notes on Financial Statements

for the Year Ended March 31, 2022

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 ₹ 494 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.

Reconciliation of the net defined benefit (asset)/ liability:

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
(I) Reconciliation of present value of defined benefit obligation		
(a) Balance at the beginning of the year	1,377	1,133
(b) Current service cost	139	128
(c) Interest cost	67	68
(d) Benefits paid	(362)	(276)
(e) Benefit payments directly by employer	(1)	-
(f) Actuarial (gains)/ losses recognised in other comprehensive income	-	-
change in demographic assumptions	(15)	70
change in financial assumptions	27	117
experience adjustments	404	137
Balance at the end of the year	1,636	1,377
(II) Reconciliation of present value of plan assets		
(a) Balance at the beginning of the year	409	563
(b) Actual return on plan assets	22	32
(c) Contributions by the employer	-	90
(d) Contributions by the employee	-	-
(e) Benefits paid	(362)	(276)
(f) Acquisition Adjustment	-	-
(g) Fund Transfer adjustment	124	-
Balance at the end of the year	193	409
(III) Net asset/ (liability) recognised in the Balance Sheet		
(a) Present value of defined benefit obligation	(1,637)	(1,377)
(b) Fair value of plan assets	193	409
Net defined benefit obligations in the Balance Sheet	(1,444)	(968)
(IV) Expense recognised in Statement of Profit or Loss		
(a) Current service cost	139	128

Notes on Financial Statements

for the Year Ended March 31, 2022

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
(b) Past service cost	-	-
(c) Interest cost	67	68
(d) Interest income	(23)	(37)
Amount charged to Profit or Loss	183	159
(V) Remeasurements recognised in Other Comprehensive Income		
(a) Actuarial (gain) / loss on defined benefit obligation	417	324
(b) Return on plan asset excluding interest income	1	5
Amount recognised in Other Comprehensive Income	418	329
(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	5.77%	5.58%
(b) Future salary growth	8.00% first 2 years; 6.00% thereafter	6.00%
(c) Retirement age (years)	58	58
(d) Withdrawal rates	30%	25%

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)

	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
(a) Discount rate (1% movement)	(41)	45	(42)	45
(b) Future salary growth (1% movement)	43	(39)	44	(42)
(c) Withdrawal assumption (1% movement)	(2)	4	(3)	3

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, 2022	As at March 31, 2021
Expected cash flows over the next (valued on undiscounted cash flows)		
1 year	494	348
2 to 5 years	1,032	838
6 to 10 year	340	370
more than 10 years	69	124

Notes on Financial Statements

for the Year Ended March 31, 2022

40. DUE TO MICRO ENTERPRISES AND SMALL ENTERPRISES

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
(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	1,560	343
Interest due on above	10	-
Total	1,570	343
(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.

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, 2022

(₹ in lakhs)

	Carrying amount				
	FVTPL	FVOCI	Other financial assets at amortised cost	Other financial liabilities at amortised cost	Total carrying amount
Financial assets not measured at fair value					
Trade receivables	-	-	22,479	-	22,479
Cash and cash equivalents	-	-	926	-	926
Other bank balances	-	-	27	-	27
Other financial assets	-	-	2,671	-	2,671
	-	-	26,103	-	26,103
Financial liabilities not measured at fair value					
Borrowing	-	-	-	14,830	14,830
Lease Liabilities	-	-	-	17,195	17,195
Trade payables	-	-	-	9,923	9,923
Other financial liabilities	-	-	-	9,205	9,205
	-	-	-	51,153	51,153

Notes on Financial Statements

for the Year Ended March 31, 2022

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

(₹ in lakhs)

	Carrying amount				
	FVTPL	FVOCI	Other financial assets at amortised cost	Other financial liabilities at amortised cost	Total carrying amount
Financial assets not measured at fair value					
Trade receivables	-	-	18,441	-	18,441
Cash and cash equivalents	-	-	3,014	-	3,014
Other bank balances	-	-	1,082	-	1,082
Other financial assets	-	-	3,340	-	3,340
	-	-	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	-	-	-	8,718	8,718
	-	-	-	38,821	38,821

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 reasonably 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

Notes on Financial Statements

for the Year Ended March 31, 2022

risk is equal to the carrying 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 :

(₹ in lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables (Gross)	26,959	21,443
Less: Expected Credit Loss	4,480	3,002
Trade Receivables (Net)	22,479	18,441

Reconciliation of loss allowance provision (Trade receivables)	Amount
Loss Allowance on 1st April 2020	2,266
Change in Loss allowance	736
Loss Allowance as on March 31, 2021	3,002
Change in Loss allowance	1,478
Loss Allowance as on March 31, 2022	4,480

b) Other Financial Assets (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. This include security deposits given to lessors with whom Letter of intent is signed.

(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.

(₹ in lakhs)					
March 31, 2022	Carrying amount	Contractual Cashflows			
		Total	Less than 1 Year	1 to 5 years	More than 5 years
Borrowings	14,830	14,830	14,080	750	-
Lease Liabilities	17,195	26,005	3,895	10,235	11,875
Trade Payables	9,923	9,923	9,923	-	-
Other Financial Liabilities	9,205	9,205	9,205	-	-
	51,153	59,963	37,103	10,985	11,875

Notes on Financial Statements

for the Year Ended March 31, 2022

(₹ in lakhs)

March 31, 2021	Carrying amount	Contractual Cashflows			
		Total	Less than 1 Year	1 to 5 years	More than 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	8,718	8,718	8,718	-	-
	38,821	41,466	33,451	6,135	1,880

(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, 2022	As at March 31, 2021
Fixed rate instruments		
Financial assets		
Financial liabilities		
Term Loan From Banks	939	939
Vehicle Loan From Banks	71	178
Vehicle Loan from Others	14	92
Finance lease Obligation (refer note 38)	17,195	6,064
	18,219	7,273
Variable rate instruments		
Financial assets		
Financial liabilities		
Term Loan From Banks	-	125
Term Loan From Others	-	147
Cash Credit	13,806	14,265
	13,806	14,537
	32,025	21,810

Notes on Financial Statements

for the Year Ended March 31, 2022

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 amountssshown below:

(₹ in lakhs)

Particulars	Effect on profit before tax		Effect on Equity	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Variable rate instruments - increase by 100 basis points	138	145	138	145
Variable rate instruments - decrease by 100 basis points	(138)	(145)	(138)	(145)

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.

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Borrowings (including current maturities of Long term borrowing)	14,830	15,746
Less:-		
Cash and cash equivalents	926	3,014
Bank Balances other than Cash and cash equivalents	27	1,082
Net Debt	13,877	11,650
Equity	25,620	29,939
Debt to equity ratio	0.54	0.39

43. EARNINGS PER SHARE

(₹ in lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit/(Loss) for the year	(4,006)	(4,366)
Weighted average number of shares (Nos.)	5,00,000	5,00,000
Basic and Diluted Earnings Per Share (In ₹)	(801.23)	(873.23)
Nominal value of shares outstanding (In ₹)	10	10

44. The managerial remuneration paid to the former Executive Chairman & Managing Director (CMD) and a Deputy Managing Director of the company for the year ended March 31, 2021 had exceeded the limit prescribed under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 275 lakhs, has been approved by the shareholders of the company.

45. 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 pay the debt. Net book value of assets classified held for sale as at March 31, 2022 amounts to ₹ 11,932 Lakhs. Exceptional item refers to loss on fair value of such assets as at March 31, 2022 in line with Ind AS 105. The company has taken necessary steps and negotiation is ongoing with the prospective buyers for the sale of assets classified as AHS which is expected to be concluded in next one year.

Notes on Financial Statements

for the Year Ended March 31, 2022

46. Company has recovered entire 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 were also discontinued.
47. During the current year, the Board of Directors of the Company vide its meeting held on February 01, 2022 and the Shareholders of the Company vide their Extra-Ordinary General Meeting held on February 28, 2022 have approved the Shifting of Registered Office of the Company from the "State of Telangana" to the "State of Maharashtra at Mumbai", subject to the approval of the Hon'ble Regional Director, South East Region, Hyderabad. Further, the Company has filed the relevant application with the said Hon'ble Regional Director, Hyderabad as per the provisions of the Companies Act, 2013 seeking approval for the same and the matter is pending for the order.
48. During the current year, the Nomination and Remuneration Committee of the Board of Directors of the Holding Company i.e. Gati Limited granted 17,00,000 Employee Stock Appreciation Rights ("ESARs") to the Employees of the Company pursuant to the 'Gati - Employees Stock Appreciation Rights Plan 2021 ('ESAR 2021'/Plan') approved by the Shareholders of the Holding Company. The Holding Company has charged ₹ 31 lakhs towards compensation cost pertaining to the ESARs. [Refer Note 31(a)]

49. RELATED PARTY DISCLOSURES

(A) Names of related parties and description of relationship for the year ended March 31, 2022

a) Ultimate Holding Company Allcargo Logistics Limited	viii) Talentos (India) Pvt Ltd
b) Holding Company Gati Limited	e) Entities under common influence /control with the company (i) Kintetsu World Express (India) Pvt. Ltd. (ii) TCI Telenet Solutions Pvt Ltd *
c) Fellow Subsidiaries i) Gati Kausar India Ltd# ii) Gati Import Export Trading Ltd iii) Gati Cargo Express (Shanghai) Co. Ltd iv) Avvashya CCI Logistics Private Limited v) Allcargo Inland Park Private Limited vi) Comptech Solutions Private Limited vii) Allcargo Logistics Park Private Limited	f) List of Key Managerial Personnel: Executive directors (i) Mr. Mahendra Agarwal * (ii) Mr. Bala Subramanian Aghoramurthy (Resigned on 11th August, 2021) (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 (till June 01, 2021) (iv) Mr. Kazuhisa kawamura (till June 01, 2021) (v) Mr. SushilKumar Jiwarajka (Appointed on 19.09.2019 & Resigned on 05.12.2019) (vi) Mr. Mohinder Pal Bansal (w.e.f 05th October, 2020 to 04th March, 2021) (vii) Mr. Nilesh Shivji Vikamsey(w.e.f May 18, 2021) (viii) Mr. Dinesh Kumar Lal (w.e.f February 01,2022)
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 *	g) others (i) ABC India Limited * (ii) Chief Executive Officer - Pirojshaw A Sarkari (w.e.f August 02, 2021)

* 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.

Ceased to be related party on July 14, 2021 due to disinvestment in Gati Kausar India Limited.

Notes on Financial Statements

for the Year Ended March 31, 2022

(B) Summary of the transactions with related parties:

Summary of the transactions 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		
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	
(i) EXPENDITURE																
a)	Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Giri Roadlines & Commercial Trading Pvt Ltd	-	-	-	32	-	-	-	-	-	-	-	-	-	32	
	Jaldi Traders & commerce house Pvt Ltd	-	-	-	75	-	-	-	-	-	-	-	-	-	75	
	P.D. Agarwal Foundation	-	-	-	21	-	-	-	-	-	-	-	-	-	21	
	TCI Telenet Solutions Pvt Ltd	-	-	-	-	-	16	-	-	-	-	-	-	-	16	
	Gati Limited	-	-	-	-	-	-	-	-	412	459	-	-	412	459	
	ABC India Limited	-	1	-	-	-	-	-	-	-	-	-	-	-	1	
	Kintentsu World Express (India) Pvt Limited	-	-	-	-	13	-	-	-	-	-	-	-	13	-	
	Talentos (India) Pvt Ltd	-	-	34	-	-	-	-	-	-	-	-	-	34	-	
	Awashya CCI Logistics Private Limited	-	-	-	-	-	-	-	-	-	-	101	-	101	-	
	Allcargo Inland Park Private Limited	-	-	-	-	-	-	-	-	-	-	120	-	120	-	
	Comptech Solutions Private Limited	-	-	-	-	-	-	-	-	-	-	12	-	12	-	
	Allcargo Logistics Ltd	-	-	-	-	-	-	5	15	-	-	-	-	5	15	
		-	1	34	128	13	16	5	15	412	459	233	-	697	619	
b)	Remuneration															
	Mahendra Agarwal	-	152	-	-	-	-	-	-	-	-	-	-	-	152	
	Bala Aghoramurthy	122	293	-	-	-	-	-	-	-	-	-	-	122	293	
	Pirojshaw A Sarkari	116	-	-	-	-	-	-	-	-	-	-	-	116	-	
	Adarsh Hedge	150	87	-	-	-	-	-	-	-	-	-	-	150	87	
	Sitting Fees															
	Sheela Bhide	1	3	-	-	-	-	-	-	-	-	-	-	1	3	
	R Ramachandran	1	3	-	-	-	-	-	-	-	-	-	-	1	3	

Notes on Financial Statements

for the Year Ended March 31, 2022

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	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
	Mohinder Pal Bansal	-	0	-	-	-	-	-	-	-	-	-	-	-	0
	Dinesh Kumar Lal	0	-	-	-	-	-	-	-	-	-	-	-	0	-
	Nilesh Shivji Vikamsey	1	-	-	-	-	-	-	-	-	-	-	-	1	-
c)	Freight Expenses													391	538
	Gati Kausar India Ltd	-	-	-	-	-	-	-	-	-	-	18	-	-	18
d)	Management Fees														
	Gati Limited	-	-	-	-	-	-	-	-	137	150	-	-	137	150
	All Cargo Logistics Ltd	-	-	-	-	-	-	304	102	-	-	-	-	304	102
	Awashya CCI Logistics Private Limited	-	-	-	-	-	-	-	-	-	-	112	-	112	-
e)	Manpower Expenses													553	252
	Gati Academy	-	-	-	245	-	-	-	-	-	-	-	-	-	245
f)	Other Expenses													-	245
	Awashya CCI Logistics Private Limited	-	-	-	-	-	-	-	-	-	-	1	-	1	-
g)	Electricity Expenditure													1	-
	Solaflex Solar Energy Private Limited	-	-	-	6	-	-	-	-	-	-	-	-	-	6
														-	6

(₹ in lakhs)

Notes on Financial Statements

for the Year Ended March 31, 2022

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		(₹ in lakhs)
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	
(ii)	INCOME															
a)	Freight															
	Kintentsu World Express (India) Pvt Limited	-	-	-	-	843	656	-	-	-	-	-	-	843	656	
	Gati Limited	-	-	-	-	-	-	-	-	917	1,197	-	-	917	1,197	
	Gati Import Export Trading Limited	-	-	-	-	-	-	-	-	-	-	-	23	-	23	
	Awashya CCI Logistics Private Limited	-	-	-	-	-	-	-	-	-	-	15	-	15	-	
	Allcargo Logistics Park Private Limited	-	-	-	-	-	-	-	-	-	-	0	-	0	-	
	Allcargo Logistics Limited	-	-	-	-	-	-	9	4	-	-	-	-	9	4	
														1,784	1,880	
b)	Warehouse Income															
	Gati Academy	-	-	-	2	-	-	-	-	-	-	-	-	-	2	
	TCI Hi-Ways Pvt Ltd	-	-	-	2	-	-	-	-	-	-	-	-	-	2	
	Kintentsu World Express (India) Pvt Limited	-	-	-	-	6	166	-	-	-	-	-	-	6	166	
	Gati Import Export Trading Limited	-	-	-	-	-	-	-	-	-	-	-	3	-	3	
	Awashya CCI Logistics Private Limited	-	-	-	-	-	-	-	-	-	-	3	-	3	-	
	Gati Cargo Express (Shanghai) Co. Ltd	-	-	-	-	-	-	-	-	-	-	59	2	59	2	
														68	175	
c)	Other Operating Income															
	Gati Limited (Management Fee)	-	-	-	-	-	-	-	-	139	153	-	-	139	153	
	Gati Limited (Others)	-	-	-	-	-	-	-	-	5	1	-	-	5	1	
	All Cargo Logistics Ltd (Management fees)	-	-	-	-	-	-	203	-	-	-	-	-	203	-	
	Awashya CCI Logistics Private Limited (Management fee)	-	-	-	-	-	-	-	-	-	-	22	-	22	-	
		-	-	-	-	-	-	-	-	-	-	-	-	369	154	

Notes on Financial Statements

for the Year Ended March 31, 2022

(C) Summary of closing balances with related parties:

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		Entities having Significant Influence over Company		Ultimate Holding Company		Holding Company		Fellow Subsidiaries		Total			
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21		
(iii) a)	Trade Receivables																		
	Kintentsu World Express (India) Pvt Limited	-	-	-	-	196	155	-	-	-	-	-	-	-	-	196	155		
	Gati Limited	-	-	-	-	-	-	-	-	-	-	101	77	-	-	101	77		
	Gati Import Export Trading Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	154	-	154		
	Allcargo Logistics Ltd	-	-	-	-	-	-	-	1	3	-	-	-	-	-	1	3		
b)	Avashya CCI Logistics Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	21	-	21	-		
	Other Receivables															319	389		
	Gati Limited	-	-	-	-	-	-	-	-	-	-	26	101	-	-	26	101		
	Gati Kausar India Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	41	-	41		
	Gati Import Export Trading Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	6	-	6		
c)	Gati Cargo Express (Shanghai) Co. Ltd	-	-	-	-	-	-	-	-	-	-	-	-	27	-	27	-		
	Deposits Given															53	148		
	Talentos (India) Pvt Ltd	-	-	23	-	-	-	-	-	-	-	-	-	-	-	23	-		
	Allcargo Inland Park Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	63	-	63	-		
	Gati Limited	-	-	-	-	-	-	-	-	-	-	140	575	-	-	140	575		
d)	Sundry Creditors															226	575		
	Gati Limited	-	-	-	-	-	-	-	-	-	-	68	80	-	-	68	80		
	Gati Kausar India Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1		
	Kintentsu World Express (India) Pvt Limited	-	-	-	-	2	-	-	-	-	-	-	-	-	-	2	-		
	Avashya CCI Logistics Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	34	-	34	-		

Notes on Financial Statements

for the Year Ended March 31, 2022

(₹ 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			Entities having Significant Influence over Company			Ultimate Holding Company			Holding Company			Fellow Subsidiaries			Total	
		2021-22	2020-21		2021-22	2020-21		2021-22	2020-21		2021-22	2020-21		2021-22	2020-21		2021-22	2020-21		2021-22	2020-21		2021-22	2020-21
	Allcargo Inland Park Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	124	-
	Comptech Solutions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11	-
	Allcargo Logistics Limited	-	-	-	-	-	-	-	-	-	-	-	-	1	127	-	-	-	-	-	-	-	1	127
e)	Other financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	240	208
f)	Corporate Guarantee taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	124	-	-	-	-	-	124	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	125	-	-	-	-	-	125

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 2021-22.
- The remuneration of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.
- Wherever amounts are "0", the value is less than rupees fifty thousand.

Notes on Financial Statements

for the Year Ended March 31, 2022

50. FINANCIAL PERFORMANCE RATIOS

Ratio	Numerator	Denominator	Current Period	Previous Period	Variance	Reasons for Variance
Current Ratio (in times)	Current Assets	Current Liabilities	0.94	1.01	-7%	-
Debt Equity ratio (in times)	Total Debt	Shareholder's Equity	0.58	0.53	10%	-
Debt service coverage ratio (in times)	Earnings available for debt Service	Total Debt Service	1.08	0.65	66%	Note-1
Return on Equity Ratio (in %)	Net Profit After Taxes-Preference Dividends (if any)	Average Shareholder's Equity	(0.14)	(0.13)	11%	-
Inventory turnover ratio (in times)	Cost of Goods Sold or Sales	Average Inventory	NA	NA	-	-
Trade Receivables turnover ratio (in times)	Net Sales	Average Account Receivables	4.16	3.53	18%	-
Trade payables turnover ratio (in times)	Net Purchases	Average Account Payables	10.01	8.24	21%	-
Net capital turnover ratio (in times)	Net Sales	Working Capital	(55.14)	267.47	-121%	Note-2
Net profit ratio (in %)	Net Profit	Net Sales	(0.03)	(0.04)	-25%	Note-3
Return on Capital employed (in %)	Earnings before interest and tax	Capital Employed	(0.07)	(0.13)	-43%	Note-4
Return on investment (in %)	Earnings before interest and tax	Investment	NA	NA	-	-

Explanations given where the change in the ratio is more than 25% as compared to the preceding year.

Notes :

- 1) Debt service coverage ratio improved on account of repayment of debt.
- 2) Revenue growth along with higher efficiency on working capital improvements
- 3) Improved earning results on account of overall business growth.
- 4) The improvement in ratio is primarily on account of improved earning results as compared to previous year and decrease in Shareholder's equity due to reduction in retained earning on account of losses during the year.

Definitions:

- (a) Earning for available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of Fixed assets etc.
- (b) Debt service = Interest & Lease Payments + Principal Repayments
- (c) Average inventory = (Opening inventory balance + Closing inventory balance) / 2
- (d) Net sales = Net sales consist of gross sales minus sales return
- (e) Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance) / 2
- (f) Net purchases = Net purchases consist of gross purchases minus purchase return
- (f) Net credit purchases = Net credit purchases consist of gross credit purchases minus purchase return
- (h) Working capital = Current assets - Current liabilities.
- (i) Earning before interest and taxes = Profit before exceptional items and tax + Finance costs
- (j) Capital Employed = Tangible Net Worth + Total Debt - Goodwill
- (k) Return on Investment

$$\frac{MV(T1) - MV(T0) - \text{Sum } [C(t)]}{(MV(T0) + \text{Sum } [W(t) * C(t)])}$$
 where,

Notes on Financial Statements

for the Year Ended March 31, 2022

T1 = End of time period, T0 = Beginning of time period, t = Specific date falling between T1 and T0

MV(T1) = Market Value at T1, MV(T0) = Market Value at T0

C(t) = Cash inflow, cash outflow on specific date

W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as $[T1 - t] / T1$

51. OTHER STATUTORY INFORMATION

- (i) The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 except for the following:

				(₹ in lakhs)
Name of Company	Nature of transactions	Balance as at March 31, 2022	Transaction value	Balance as at March 31, 2021
Khandelwal Associates Private Limited	Receivables	-	0	0
Sew-Eurodrive India Private Limited	Receivables	-	-	-
D S Creations Of Arts Private Limited	Receivables	-	0	1
Super Enterprises Private Limited	Receivables	-	-	-
Agrawal Trading Company Private Limited	Receivables	-	4	1
Globe Tools Private Limited	Receivables	-	-	0
Casa Marketing Private Limited	Receivables	-	-	-
Mahalaxmi Collections Private Limited	Receivables	-	-	1
Punjab Woollens Pvt Ltd	Receivables	-	-	-
S A A Pharmatech Private Limited	Receivables	-	-	-
Nova Enterprises Private Limited	Receivables	22	-	22
Synergy Dawning Marketing Private Limited	Receivables	-	-	-
Electrixa Energy And Lighting Private Limited	Receivables	-	-	-
Synthiko Formulations And Chemicals Limited	Receivables	1	-	1
Bharat Balancing Weightss Private Limited	Receivables	-	-	-
Blue Stream Aqua Tech Private Limited	Receivables	-	-	-
Siddhivinayak Enterprises Private Limite D	Receivables	-	0	0
S Kumars Textiles Limited	Receivables	-	-	-
Serdia Pharmaceuticals Pvt Ltd	Receivables	-	-	-
A.S. Enterprises Private Limited	Receivables	1	2	0
Vinni Chemicals Pvt.Ltd.	Receivables	-	-	0
Aries Appliances Pvt. Ltd.	Receivables	-	-	-
Liberty Fashions Pvt Ltd	Receivables	-	-	-
K S Infotech Private Limited	Receivables	-	5	1
Welcome Trademart Private Limited	Receivables	1	-	1
Indo American Vitamin Foods Private Limited	Receivables	1	0	1
Safe Surgicals Private Limited	Receivables	-	-	-
Knitopia Fashions Limited	Receivables	-	2	13
Concept Cargo Consolidators Private Limited	Receivables	-	-	-
Total		26	13	42
Haryana Punjab Roadways Private Limited	Payables	-	-	-
DRS Enterprises Private Limited	Payables	4	101	5
Sangam Enterprises Private Limited	Payables	0	-	1
V.K. Traders Pvt Ltd	Payables	-	-	-

Notes on Financial Statements

for the Year Ended March 31, 2022

(₹ in lakhs)				
Name of Company	Nature of transactions	Balance as at March 31, 2022	Transaction value	Balance as at March 31, 2021
Prince Tyres Private Limited	Payables	-	2	-
Perfect Enterprises Private Limited	Payables	-	0	-
Rana Trading And Exports P.Ltd.	Payables	0	1	-
Rakshit Enterprises Private Limited	Payables	-	-	-
Patel Motors (Sanawad) Private Limited	Payables	-	0	-
Prem Transport Co Private Limited	Payables	-	-	0
Ashwavega Couriers & Cargos Private Limited	Payables	0	-	0
Shanti Transport Pvt Ltd	Payables	-	21	45
Classic Logistics Private Limited	Payables	-	3	-
Mangalam Automobiles Private Limited	Payables	0	2	-
D G Raj Commercial Private Limited	Payables	3	-	3
Total		7	130	54

Note : Wherever amounts are "0", the value is less than rupees fifty thousand.

Note : None of the above mentioned party is related party as per the definition of "related party" under section 2(76) of the Companies Act, 2013.

- (ii) The Company is in the continuous process of filing the charge satisfaction e-form with MCA, within the timelines, as and when it receives NOCs from the respective charge holders except for one unsatisfied charge as at March 31, 2022, for which the company is in the process of obtaining no-objection certificates (NOCs) from the charge holders of such unsatisfied charge.

Description of charge	Location of the Registrar
Current assets of the company on pari passu basis with working capital lender - DCB Bank limited	Registrar of Companies of Telangana

- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during current or previous financial year.
- (iv) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority during current or previous financial year.
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) during current or previous financial year with the understanding that the Intermediary shall:
- 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 to or on behalf of the Ultimate Beneficiaries
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) during current or previous financial year with the understanding (whether recorded in writing or otherwise) that the company shall:
- 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

Notes on Financial Statements

for the Year Ended March 31, 2022

(vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during current or previous financial year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(viii) Loans or Advances in the nature of loans are granted to Promoters, Directors, KMPs and the Related Parties -

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Nil	Nil	Nil

(ix) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets or both during current or previous financial year.

52. The Company's Chief Operating Decision Maker (CODM) has identified one business segment viz. Express distribution and there is no other reporting segment.

53. Previous year's figures have been regrouped / reclassified wherever necessary to confirm to the current year's presentation including those as required in keeping with revised Schedule III amendments.

54. The financial statement are approved for issue by the Audit Committee at its meeting held on May 19, 2022 and by the Board of Directors at its meeting held on May 19, 2022.

As per our report of even date

For Singhi & Co.

Chartered Accountants

ICAI Firm Registration No: 302049E

Anurag Singhi

Partner

Membership no: 066274

Place: New Delhi

Date: May 19, 2022

For and on behalf of the Board of Directors

Adarsh Hegde

Chairman & Managing Director

DIN: 00035040

Anish T Mathew

Chief Financial Officer

M. No. 211965

Place: Hyderabad

Date: May 19, 2022

Pirojshaw Sarkari

Chief Executive Officer

T S Maharani

Company Secretary

M No. F8069

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