Singhi & Co.
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Gati Kintetsu Express Private Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of Gati Kintetsu Express Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the indeterminate effect of the matter described in 'Basis for Qualified Opinion' section of our report, 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, 2020, its loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw your attention to:

a) Note 44 to the financial statements, which states that in earlier years, the Company has given operational advance to a party of Rs. 21.86 million (net of provision of Rs. 21.85 million), which is long overdue and the full recoverability of which is doubtful. As set out in the aforesaid note, the management is making necessary efforts to ensure collection of dues from the said party. No impairment allowance for uncertainty in collectability has been recognized against above advances. Based on the information received from the management of the Company regarding the assumptions used in assessing the recoverability of this amount, we were unable to determine the impact on the financial statements, of a potential adjustment for impairment that might have been necessary in order to present the balance at its estimated recoverable value.

b) Note 43 (b) to the financial statement, a recoverable amount of of Rs.14.09 million from an executive chairman towards excess payment of managerial remuneration for the financial year 2016-17 and 2017-18 is outstanding in the books of accounts as on 31st March 2020. Upon expiry of the permissible tenure for refund of said excess remuneration, there is a delayed recovery from the director for Rs.6.30 million and non-recovery of Rs. 7.79 million upto the date of signing of this report, the same shall be treated to be a loan to a director in contravention of section 185 of the Companies Act, 2013.

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 qualified opinion on the financial statements.

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Emphasis of Matter

We draw your attention to Note 43 (a) to the financial statements, which states that managerial remuneration paid to two executive directors of the Company for the year ended March 31, 2020 has exceeded the limit prescribed under section 197 read with Schedule V of the Companies Act, 2013 by Rs. 40.31 million. Pending necessary approvals for the excess remuneration from members of the company, no adjustment to the financial statements has been made.

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

Key Audit Matters

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

In addition to the matter described in the 'Basis for Qualified Opinion' section above, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our qualified 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 Rs.1250.59 million on the statements of financial position. 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.	Our audit with respect to impairment testing of goodwill included the following: ▪ Engaging internal fair valuation experts to challenge management's underlying assumptions and appropriateness of the valuation model used. ▪ Comparing the Company's assumptions with comparable benchmarks in relation to key inputs such as long-term growth rates and discount rates. ▪ Assessing the appropriateness of the forecasted cash flows within the budgeted period based on their understanding of the business and sector experience.

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Sr. No.	Key Audit Matter	How our audit addressed the key audit matters
2	**Recoverability of Trade Receivable (See Note 12 to the financial statements)**	
	The gross balance of trade receivables as at March 31, 2020 amounted to Rs.2250.59 million. Due to the inherent subjectivity that is involved in making judgments in relation to credit risk exposures to determine the recoverability of trade receivables, recoverability of trade receivables is considered a key audit matter.	Our audit with respect to determining recoverability of Trade Receivables included the following: ▪ 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.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

2. As required by section 143 (3) of the Act, based on our Audit, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, except for matter described in 'Basis for Qualified Opinion' section above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) Except for the indeterminate effects of the matter described in the 'Basis for Qualified Opinion' section above, 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) The outcome of the matter described in 'Basis for Qualified Opinion' section above in our opinion, may have an adverse effect on the functioning of the company.

   (f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   (g) The reservation relating to maintenance of accounts and other matters connected therewith are as stated in the 'Basis for Qualified Opinion' section above.

   (h) With respect to the adequacy of the internal financial controls over financial reporting with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" of this report.

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(i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act except managerial remuneration paid to two Executive directors of the Company which is in excess of the limit prescribed under Schedule V of the Companies Act, 2013 by Rs. 40.31 million for the financial year 2019-20, which is subject to the approval of shareholders in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(j) 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 35 (I) and 44 to the financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to investor education and protection fund by the company.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

(Anurag Singhi)
Partner
Membership No. 066274
UDIN: 20066274AAAAAW3635

Date: June 23, 2020
Place: Kolkata

Annexure – A to the Independent Auditor's Report

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

We report that:

i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

b) As per the information and explanations given to us, physical verification of property, plant and equipment have been carried out in terms of the phased program of its verification adopted by the Company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to size of the Company and nature of its business.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except land and building having a gross block and net block of Rs. 368.00 million and Rs. 225.10 million respectively, which were acquired from the Holding Company under a Business Transfer Agreement in the financial year 2011 - 12.

ii. The company is a service company and has no inventory, accordingly, the provisions of clause 3(ii) of the Order, 2016 are not applicable.

iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3(iii), 3(iii) (a) to 3(iii) (c) of the said Order are not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments made and providing guarantees and securities, except for an excess payment of managerial remuneration of Rs 14.09 million to an executive chairman for the financial year 2016-17 and 2017-18 which stands recoverable as on 31st March 2020. Upon expiry of the permissible tenure for refund of said excess remuneration, there is a delayed recovery from the director for Rs. 6.30 million and non-recovery of Rs. 7.79 million upto the date of signing of this report, the same shall be treated to be a loan to a director in contravention of section 185 of the Companies Act, 2013.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits covered under sections 73 to 76 of the Companies Act and the rules framed there under with regard to deposits accepted from the public during the year. Accordingly, paragraph 3(v) of the order is not applicable.

vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the company examined by us, the company is generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, duty of customs, cess and other material statutory dues, as applicable, to the appropriate authorities.

There are no arrears in respect of the aforesaid dues as at March 31,2020 for a period of more than six months from the date they became payable except professional tax of Rs.0.95 million and provident fund of Rs.1.70 million which are due for more than 6 months.

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b) According to the information and explanations given to us, the dues outstanding in respect of dues of income tax, sales tax, duty of excise, service tax, duty of customs, value added tax and goods and services tax has not been deposited by the Company on account of disputes are as follows:

Name of the Statute	Nature Of Dues	Amount in Millions (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax	139.61	2013-14, 2014-15, 2015-16, 2016-17	Income Tax Appellate Tribunal, Commissioner (Appeals)
Indirect Tax	Sales tax	32.26	2013-14, 2014-15, 2015-16, 2016-17, 2017-18	Assistant Comm, Commercial Tax, Mobile Squad Unit-4 Commercial Tax Mathura

viii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank or Government. The Company had neither any outstanding debenture at the beginning of the year nor has it issued any debenture during the year.

ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanation given to us by the management, term loans were applied for the purpose for which the loans were obtained.

x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act except managerial remuneration paid to an Executive chairman of the Company for the year which is in excess of the limit prescribed under Schedule V of the Companies Act, 2013 by Rs. 40.31 million for the financial year 2019-20, which is subject to the approval of shareholders in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the order is not applicable to the company.

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xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the order is not applicable to the company.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

(Anurag Singhi)
Partner
Membership No. 066274
UDIN: 20066274AAAAAW3635

Date: June 23, 2020
Place: Kolkata

Annexure – B to the Independent Auditor's Report

(Referred to in paragraph 2 (h) under the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting with reference to these financial statements of Gati Kintetsu Express Private Limited ("the Company") as of March 31, 2020 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. 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 over financial reporting 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') issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting with reference to these financial statements.

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Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting 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 over financial reporting 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 over financial reporting with reference to these 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 over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis of Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2020:

a. The company's internal financial control related to contract revenue mapping in the Information technology system is not operating effectively and resulting in inadequate control over these processes. Management has represented that the remediation plan and necessary implementation steps have been taken.

b. The company did not have an effective integration between various functional software relating to sales and expenses with the accounting software resulting in weak internal control and reconciliation differences in Control Accounts in areas of trade receivables, trade payables, security deposits and operational advances.

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

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Qualified Opinion

In our opinion, except for the possible effects of the material weakness described in the 'Basis of Qualified Opinion' section above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 financial statements of the Company, and the material weakness does not affect our opinion on the financial statements of the Company.

For Singhi& Co.
Chartered Accountants
Firm's Registration No. 302049E

SINGHI & CO. * Chartered Accountants *

(Anurag Singhi)
Partner
Membership No. 066274
UDIN: 20066274AAAAAW3635

Date: June 23, 2020
Place: Kolkata

GATI KINTETSU EXPRESS PRIVATE LIMITED
Balance Sheet as at March 31, 2020

(₹ in Mn)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
NON CURRENT ASSETS			
Property, Plant and Equipment	4A	2,105.38	2,117.13
Capital Work-in-Progress	4B	-	46.01
Right-of-Use Asset	4C	642.82	-
Goodwill	5	1,250.59	1,250.59
Other Intangible Assets	6	34.51	28.84
Intangible Assets under Development	7	20.72	-
Financial Assets			
Loans	8	46.51	148.00
Deferred Tax Assets (Net)	9	62.25	40.33
Non Current Tax Asset (Net)	10	766.92	536.24
Other Non-Current Assets	11	6.60	120.22
		4,936.30	4,287.36
CURRENT ASSETS			
Financial Assets			
Loans	8	284.10	125.22
Trade Receivables	12	2,024.03	2,242.59
Cash and Cash Equivalents	13	191.33	10.89
Bank Balances other than above	14	92.81	101.99
Other Financial Assets	15	89.55	70.07
Other Current Assets	16	155.28	244.41
		2,837.10	2,795.17
TOTAL ASSETS		7,773.40	7,082.53
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	17	5.00	5.00
Other Equity	18	3,450.15	3,666.05
TOTAL EQUITY		3,455.15	3,671.05
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	19	469.46	428.03
Lease Liabilities	20	580.57	-
Provisions	21	75.45	73.92
		1,125.48	501.95
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	22	1,249.58	971.98
Lease Liabilities	20	95.97	-
Trade Payables	23		
(a) Total outstanding dues of Micro and Small Enterprises		10.97	-
(b) Total outstanding dues of creditors other than Micro and Small Enterprises		861.84	1,087.36
Other Financial Liabilities	24	623.78	543.09
Other Current Liabilities	25	333.08	286.76
Provisions	26	17.55	20.34
		3,192.77	2,909.53
TOTAL LIABILITIES		4,318.25	3,411.48
TOTAL EQUITY AND LIABILITIES		7,773.40	7,082.53
Significant accounting policies and key accounting estimates and judgements	3		

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

As per our report of even date

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

Anurag Singhi
Partner
Membership no: 066274

Place: Kolkata
Date: June 23, 2020

For and on behalf of the Board of Directors

Mahendra Agarwal
Executive Chairman
DIN: 00179779

Bala Aghoramurthy
Deputy Managing Director
DIN: 06960138

GATI-KINTETSU EXPRESS PRIVATE LIMITED HYDERABAD

Place: Hyderabad
Date: June 23, 2020

GATI KINTETSU EXPRESS PRIVATE LIMITED

Statement of Profit and Loss for the year ended March 31, 2020

(₹ in Mn)

		Notes	Year ended March 31, 2020	Year ended March 31, 2019
(I)	**INCOME**			
	Revenue from Operations	27	11,594.27	12,288.03
	Other Income	28	46.04	47.18
	TOTAL INCOME (I)		**11,640.31**	**12,335.21**
(II)	**EXPENSES**			
	Operating Expenses	29	8,125.59	8,662.28
	Employee Benefits Expense	30	1,548.05	1,500.09
	Finance Costs	31	289.19	193.26
	Depreciation and Amortisation Expense	32	324.37	179 58
	Other Expenses	33	1,438.44	1,418.62
	TOTAL EXPENSES (II)		**11,725.64**	**11,953.83**
(III)	**PROFIT/(LOSS) BEFORE TAX (I-II)**		**(85.33)**	**381.38**
(IV)	**TAX EXPENSES**	34		
	Current Tax		11.66	97.80
	Deferred Tax		(19.24)	13.47
	TOTAL TAX EXPENSES		**(7.58)**	**111.27**
(V)	**PROFIT/(LOSS) FOR THE YEAR (III-IV)**		**(77.75)**	**270.11**
(VI)	**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		(10.63)	(10.54)
	b) Income tax effect on above item		2.68	3.65
	OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX)		**(7.95)**	**(6.89)**
(VII)	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR (V+VI)**		**(85.70)**	**263.22**
	EARNINGS PER EQUITY SHARE	42		
	[Nominal value per share ₹ 10/- (March 31, 2019: ₹ 10/-)]			
	Basic (in ₹)		(155.50)	540.23
	Diluted (in ₹)		(155.50)	540.23

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: Kolkata
Date: June 23, 2020

Chartered Accountants

For and on behalf of the Board of Directors

Mahendra Agarwal
Executive Chairman
DIN: 00179779

Bala Aghoramurthy
Deputy Managing Director
DIN: 06960138

GATI-KINTETSU EXPRESS PRIVATE LIMITED HYDERABAD

Place: Hyderabad
Date: June 23, 2020

Gati Kintetsu Express Private Limited

Cash Flow Statement for the year ended March 31, 2020 (₹ in Mn)

PARTICULARS	Year ended March 31, 2020	Year ended March 31, 2019
(A) Cash flows from Operating Activities		
Profit/(Loss) Before Taxes as per Statement of Profit and Loss	(85.33)	381.38
Adjustment for :		
Depreciation & Amortisation expense	324.37	179.58
Finance costs	289.19	193.26
Loss on disposal of Property, Plant and Equipment(Net)	3.59	0.22
Interest Income from deposits with Bank	(11.14)	(8.34)
Interest Income from unwinding of financial asset	(6.76)	(21.99)
Allowance for Doubtful receivables	84.83	5.97
Allowance for other financial assets	21.86	-
Bad debts and irrecoverable balances written off	52.51	24.51
Allowance for Doubtful receivables - written back	(7.61)	(24.51)
Liabilities no longer required - written back	(23.01)	(13.23)
Operating profits before working capital changes	**642.50**	**716.84**
(Increase) / Decrease in Trade Receivables	117.59	(258.79)
(Increase) / Decrease in Other Current Assets	38.51	24.14
(Increase) / Decrease in Other Current Financial Assets	(70.11)	(36.66)
(Increase) / Decrease in Other Non-Current Assets	58.31	(12.52)
Increase / (Decrease) in Other Liabilities	46.32	26.42
Increase / (Decrease) in Trade Payables	(191.54)	190.40
Increase / (Decrease) in Short Term Provisions	(2.79)	8.89
Increase / (Decrease) in Other Current Financial Liabilities	15.16	18.04
Increase / (Decrease) in Non Current Provisions	(9.10)	0.29
Cash generated from operations	**644.85**	**677.07**
Direct Tax paid (net of refunds)	(242.35)	(258.75)
Net Cash Flows generated/(used) from Operating Activities	**402.50**	**418.32**
(B) Cash Flow from Investing Activities		
Interest Received	11.14	8.34
Proceeds from sale of Property Plant and Equipment	14.42	41.33
Purchase of Property Plant and Equipment including Capital work in Progress and Capital Advances	(287.43)	(485.83)
Investment in Bank Fixed Deposits	9.18	(6.74)
Net Cash Flows (used in)/generated from Investing Activities	**(252.69)**	**(442.90)**
(C) Cash Flow from Financing Activities		
Proceeds of Long Term Borrowings	390.10	419.22
Repayment of Long Term Borrowings	(137.59)	(128.48)
Increase / (Decrease) in Short term Borrowings (net)	277.60	41.86
Finance cost	(204.60)	(193.26)
Payment of interest on lease liabilities	(84.59)	-
Payment of principal portion of lease liabilities	(80.09)	-
Dividend Paid including tax	(130.20)	(149.34)
Net Cash Flows (used in)/generated from Financing Activities	**30.63**	**(10.00)**
Net Increase / (Decrease) in cash and cash equivalents (A + B + C)	**180.44**	**(34.58)**
Cash and Cash equivalents at the beginning of the year	10.89	45.47
Cash and Cash equivalents at the end of the year	191.33	10.89

Notes :

1. 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.
2. Component of Cash & Cash Equivalents: -

Cash on Hand	4.06	3.63
Balances with Banks in Current Accounts	187.27	7.26
Cash & Cash Equivalent as per Balance sheet (refer note 13)	**191.33**	**10.89**

Debt Reconciliation Statement in accordance with Ind AS 7

Opening Balances		
Non Current Borrowings	**428.03**	**215.41**
Movement		
Non Current Borrowings	41.43	212.62
Closing Balances		
Non Current Borrowings	**469.46**	**428.03**

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

As per our report of even date

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

Anurag Singhi
Partner
Membership no: 066274

Place: Kolkata
Date: June 23, 2020

For and on behalf of the Board of Directors

Mahendra Agarwal
Executive Chairman
DIN: 00179779

Bala Aghoramurthy
Deputy Managing Director
DIN: 06960138

GATI-KINTETSU EXPRESS PRIVATE LIMITED HYDERABAD

Place: Hyderabad
Date: June 23, 2020

GATI KINTETSU EXPRESS PRIVATE LIMITED
Statement of Changes in Equity for the year ended March 31, 2020

A) Equity Share Capital

(₹ in Mn)

Particulars	No. of Shares	Amount
Balance as at March 31, 2018	5,00,000	50,00,000
Add/(Less): Changes in Equity Share Capital for the year ended March 31, 2019	-	-
Balance as at March 31, 2019	5,00,000	50,00,000
Add/(Less): Changes in Equity Share Capital for the year ended March 31, 2020	-	
Balance as at March 31, 2020	5,00,000	50,00,000

B) Other Equity

(₹ in Mn)

Particulars	Reserves and Surplus			Total
	Securities Premium	General Reserve	Retained Earnings	
Balance as at March 31, 2018	1,783.60	172.02	1,661.16	3,616.77
Profit/(Loss) for the year	-	-	270.11	270.11
Final dividend on equity shares	-	-	(123.88)	(123.88)
Tax on dividend on equity shares	-	-	(25.46)	(25.46)
Remeasurement gain/(loss) on defined benefit plans (net of deferred tax)	-	-	(6.89)	(6.89)
Transition adjustment of Ind AS 115	-	-	(64.60)	(64.60)
Balance as at March 31, 2019	1,783.60	172.02	1,710.43	3,666.05
Profit/(Loss) for the year	-	-	(77.75)	(77.75)
Final dividend on equity shares	-	-	(108.00)	(108.00)
Tax on dividend on equity shares	-	-	(22.20)	(22.20)
Remeasurement gain/(loss) on defined benefit plans (net of deferred tax)	-	-	(7.95)	(7.95)
Balance as at March 31, 2020	1,783.60	172.02	1,494.54	3,450.15

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

As per our report of even date

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

Anurag Singhi
Partner
Membership no: 066274

Place: Kolkata
Date: June 23, 2020

For and on behalf of the Board of Directors

Mahendra Agarwal
Executive Chairman
DIN: 00179779

Bala Aghoramurthy
Deputy Managing Director
DIN: 06960138

GATI-KINTETSU EXPRESS PRIVATE LIMITED HYDERABAD

Place: Hyderabad
Date: June 23, 2020

GATI KINTETSU EXPRESS PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2020

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

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

2.2 Basis of Measurement

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

- Financial Instruments - Measured at Fair value/ Amortised cost;
- Plan Assets under defined benefit plans–Measured at fair value;

2.3 Functional and Presentation Currency

All financial information presented in Indian rupees (INR) which is the Company's functional currency, has been rounded off to the nearest two decimal of millions, 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.

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

2.6 Current Vs Non-Current Classification

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

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

All the other assets are classified as non-current.

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 - Standard issued but not yet effective

Ministry of corporate affairs (MCA) notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2020.

3) Significant Accounting Policies:

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

3.1 Property, plant and equipment

Recognition and Measurement:

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

Capital work in progress and Capital Advances:

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

GATI-KINTETSU EXPRESS PRIVATE LIMITED * HYDERABAD

Subsequent Expenditure:

- Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Items such as spare parts, stand by equipment's and servicing equipment's that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.
- Cost in nature of repair and maintenance expenses are charged to the statement of profit or loss during the reporting period in which they are incurred.

Depreciation and Amortisation:

- Depreciation on tangible assets is provided on straight-line method at the rates determined based on the useful lives of respective assets as prescribed under Schedule II of the Companies act, 2013.
- Freehold land is not depreciated.
- Intangible assets are amortised on straight line basis over its estimated useful life.
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed-off).

De-recognition Assets:
An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss is recognized in the statement of profit and loss.

3.2 Intangible Assets:
Intangible assets are stated at acquisition cost net of accumulated amortisation or cumulative impairment, if any. The Company capitalizes identifiable costs relating to development of internally generated software and these are stated net of accumulated amortisation.
Intangible assets under development comprise costs relating to development of software that are not yet ready for their intended use as at the balance sheet date.
The carrying amount of the intangible asset is derecognized on disposal or when no future economic benefit is expected from its use. Any gain or loss is recognized in the statement of Profit and loss.

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

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

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

GATI-KINTETSU EXPRESS PRIVATE LIMITED * HYDERABAD

(ii) Lease Liabilities

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

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

The Company applies the short-term lease recognition exemption to its short-term leases of properties, machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.4 **Impairment of assets:**

a) The Company assesses at each reporting date whether there is any indication that an asset (tangible or intangible), may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units (CGU) net selling price and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased and such reversal is recorded in the Statement of Profit and Loss.

b) Assets that are subject to depreciation and amortisation are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

c) An entity shall test an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment, irrespective of whether there is any indication of impairment. This impairment test may be performed at any time during the year, provided it is performed at the same time every year.

3.5 **Foreign currency Transactions:**

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

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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 <u>Revenue recognition:</u>

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.

Rendering of services:

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

Others:

1. 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.
2. Rent income is recognized on a straight-line basis over the period of the lease.

3.7 <u>Financial instruments:</u>

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.

- **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.

GATI-KINTETSU EXPRESS PRIVATE LIMITED * HYDERABAD

- **Financial assets at fair value through other comprehensive income (FVOCI):**
  On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI-equity investment). This election is made on an investment-by-investment basis.
  Financial assets are measured at the FVOCI if both of the following conditions are met:
  (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
  (b) The asset's contractual cash flows represent SPPI.
  Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI)

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

b) Subsequent measurement

For purposes of subsequent measurement:

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

(ii) Financial Liability:

Financial liabilities are classified and measured at amortized cost or FVTPL

a) Initial Recognition & Subsequent measurement:

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

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

GATI-KINTETSU EXPRESS PRIVATE LIMITED * HYDERABAD

b) Financial guarantee liability:

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

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

(iii) Impairment of Financial Assets:

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

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

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

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

(iv) De-recognition:

a) Financial Assets:

The Company derecognizes a financial asset only

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

b) Financial liabilities:

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

(v) Offsetting:

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

3.8 Fair Value measurement:

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

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

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

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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 <u>Employee benefits:</u>

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 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.

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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.

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.

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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.

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Notes to Financial Statements for the year ended March 31, 2020

4A. Property, Plant and Equipment

(₹ in Mn)

Particulars	Gross Block					Accumulated Depreciation					Net Carrying Value	
	As at March 31, 2019	Additions	Reclassified on account of adoption of Ind AS 116	Deductions/ Adjustment	As at March 31, 2020	As at March 31, 2019	Depreciation for the year	Reclassified on account of adoption of Ind AS 116	Deductions/ Adjustment	As at March 31, 2020	As at March 31, 2020	As at March 31 2019
Freehold Land	888.51	-	-	-	888.51	-	-	-	-	-	888.51	888.51
Buildings	455.75	-	-	1.41	454.34	56.55	8.72	-	0.14	65.13	389.21	399.20
Vehicles	300.69	194.93	-	56.78	438.84	101.40	35.76	-	43.85	93.30	345.53	199.28
Vehicles - under Finance Lease	138.40	-	138.40	-	-	15.38	-	15.38	-	-	-	123.02
Plant & Machinery	362.16	42.80	-	2.05	402.92	147.88	34.97	-	1.04	181.82	221.10	214.29
Computer	347.85	74.89	-	26.13	396.61	267.36	52.08	-	24.63	294.82	101.80	80.50
Computers - under Finance Lease	34.58	-	34.58	-	-	7.98	-	7.98	-	-	-	26.60
Furniture And Fittings	281.01	20.78	-	-	301.79	147.71	37.55	-	-	185.26	116.53	133.28
Office Equipments	201.33	10.98	-	0.12	212.18	148.88	20.73	-	0.12	169.48	42.70	52.45
Grand Total	**3,010.28**	**344.38**	**172.98**	**86.49**	**3,095.19**	**893.14**	**189.81**	**23.36**	**69.78**	**989.81**	**2,105.38**	**2,117.13**

(₹ in Mn)

Particulars	Gross Block					Accumulated Depreciation					Net Carrying Value	
	As at March 31, 2018	Additions	Reclassified on account of adoption of Ind AS 116	Deductions/ Adjustment	As at March 31, 2019	As at March 31, 2018	Depreciation for the year	Reclassified on account of adoption of Ind AS 116	Deductions/ Adjustment	As at March 31, 2019	As at March 31 2019	As at March 31 2018
Freehold Land	888.51	-	-	-	888.51	-	-	-	-	-	888.51	888.51
Buildings	455.75	-	-	-	455.75	48.35	8.20	-	-	56.55	399.20	407.40
Vehicles	296.57	150.48	-	146.36	300.69	172.86	34.21	-	105.67	101.40	199.28	123.71
Vehicles - under Finance Lease	15.91	122.49	-	-	138.40	0.43	14.95	-	-	15.38	123.02	15.48
Plant & Machinery	340.44	21.72	-	-	362.16	120.68	27.20	-	-	147.88	214.29	219.76
Computer	310.98	42.60	-	5.73	347.85	238.45	33.91	-	5.00	267.36	80.50	72.53
Computers - under Finance Lease	22.03	12.63	-	0.08	34.58	1.01	6.99	-	0.02	7.98	26.60	21.02
Furniture And Fittings	260.99	20.05	-	0.03	281.01	126.22	21.49	-	-	147.71	133.28	134.77
Office Equipments	184.15	17.34	-	0.16	201.33	131.22	17.78	-	0.12	148.88	52.45	52.93
Grand Total	**2,775.33**	**387.31**	-	**152.36**	**3,010.28**	**839.22**	**164.72**	-	**110.81**	**893.14**	**2,117.13**	**1,936.11**

Notes:

a) The amount of Contractual commitments for acquisition of property, plant and equipment is disclosed in Note. 35(II)(a)

b) Refer Note 19, 20, 22 and Note 23 for information on Property, Plant and Equipments pledged as securities by the Company.

c) The Company has not capitalized any borrowing cost during the year. (March 31, 2019 - Nil)

4B. Capital Work-in-progress

(₹ in Mn)

	As at March 31 2020	As at March 31 2019
Commercial Vehicles	-	46.01
	-	46.01

4C. Right of use Assets (ROU)

(₹ in Mn)

Particulars	Gross Block				Accumulated Depreciation				Net Carrying Value
	As at April 1, 2019	Additions	Deductions/ Adjustment	As at March 31, 2020	As at April 1, 2019	Amortization for the year	Deductions/ Adjustment	As at March 31, 2020	As at March 31, 2020
Buildings	612.39	-	-	612.39	-	93.61	-	93.61	518.78
Vehicles*	138.40	-	1.67	136.73	15.38	17.30	0.37	32.31	104.42
Computers*	34.58	-	-	34.58	7.98	6.98	-	14.96	19.62
				-			-	-	
Total Right of use Assets (ROU)	785.37	-	1.67	783.70	23.36	117.89	0.37	140.88	642.82

* Opening balances reclassified on adoption of Ind AS 116.

Notes:

a) The aggregate depreciation expenses on Right of use asset (ROU) is included under depreciation and amortization expenses in the Statement of Profit and Loss.

b) The company's obligation under leases are secured by lessor's title to the leased assets.

c) Refer Note 36 for Right of use asset movement.

5. Goodwill

(₹ in Mn)

	As at March 31, 2020	As at March 31 2019
	1,250.59	1,250.59
	1,250.59	1,250.59

6. Other Intangible Assets

(₹ in Mn)

Particulars	Gross Block				Accumulated Amortization				Net Carrying Value	
	As at March 31, 2019	Additions	Deductions/ Adjustment	As at March 31, 2020	As at March 31, 2019	Depreciation for the year	Deductions/ Adjustment	As at March 31, 2020	As at March 31, 2020	As at March 31 2019
Computer Software	105.24	22.33	-	127.57	76.39	16.67	-	93.06	34.51	28.84
Total	105.24	22.33	-	127.57	76.39	16.67	-	93.06	34.51	28.84

Particulars	Gross Block				Accumulated Amortization				Net Carrying Value	
	As at March 31, 2018	Additions	Deductions/ Adjustment	As at March 31, 2019	As at March 31, 2018	Depreciation for the year	Deductions/ Adjustment	As at March 31, 2019	As at March 31 2019	As at March 31 2018
Computer Software	93.67	11.57	-	105.24	61.53	14.86	-	76.39	28.84	32.13
Total	93.67	11.57	-	105.24	61.53	14.86	-	76.39	28.84	32.13

Notes:

a) The amount of Contractual commitments for acquisition of Intangible assetst is disclosed in Note. 35(II)(a)

b) The Company has not capitalized any borrowing cost during the year. (March 31, 2019 - Nil)

7. Intangible Assets under Development

(₹ in Mn)

	As at March 31, 2020	As at March 31 2019
	20.72	-
	20.72	-

Notes:

Expenses during the year capitalised in respect of Intangible Assets under Development

a) Employee Benefit expenses	10.99	-
b) Other expenses	9.73	-
	20.72	-

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(₹ in Mn)

8. Loans	As at March 31, 2020	As at March 31, 2019
(Unsecured, Considered Good)		
Non Current		
Security Deposit with Holding company	-	42.23
Security Deposit with Others	46.51	105.77
Total (A)	46.51	148.00
Current		
Security Deposit with Holding company	71.93	-
Security Deposit with Others	212.17	125.22
Total (B)	284.10	125.22
Grand Total	330.61	273.22

(₹ in Mn)

9. **Deferred Tax Assets (Net)**	As at March 31, 2020	As at March 31, 2019
Deferred Tax Assets (Net)	62.25	40.33
	62.25	40.33

9.1 Movement in Deferred Tax Assets and Liabilities during the year ended March 31, 2019 and March 31, 2020

Deferred Tax Balance in relation to	As at March 31, 2018	Recognised In Statement of Profit & Loss	Recognised In Other Comprehensive Income (OCI)	As at March 31, 2019
Deferred Tax Assets/(Liabilities)				
Property, plant and equipment	(72.45)	3.33	-	(69.12)
Allowances for Doubtful Receivables	58.67	13.15	-	71.82
Employee benefits - Gratuity and Leave Encashment	26.05	8.42	3.65	38.12
Other temporary Differecnces	(4.59)	4.10	-	(0.49)
MAT Credit Entitlement (Net)	16.94	(16.94)	-	-
Deferred Tax Assets/(Liabilities)	**24.62**	**12.06**	**3.65**	**40.33**

Deferred Tax Balance in relation to	As at March 31, 2019	Recognised In Statement of Profit & Loss	Recognised In Other Comprehensive Income (OCI)	As at March 31, 2020
Deferred Tax Assets/(Liabilities)				
Property, plant and equipment	(69.12)	13.96	-	(55.16)
Allowances for Doubtful Receivables and Advances	71.82	8.35	-	80.17
Employee benefits - Gratuity and Leave Encashment	38.12	(10.11)	2.68	30.69
Other temporary Differecnces	(0.49)	7.04	-	6.55
Deferred Tax Assets/(Liabilities)	**40.33**	**19.24**	**2.68**	**62.25**

(₹ in Mn)

10. **Non Current Tax Asset (Net)**	As at March 31, 2020	As at March 31, 2019
Tax Deducted at Source	1,451.27	1,208.92
Advance Tax	121.08	121.08
	1,572.35	1,330.00
Less : Provision for Income Tax	(805.43)	(793.76)
Total	766.92	536.24

(₹ in Mn)

11. **Other Non-Current Assets**	As at March 31, 2020	As at March 31, 2019
Capital Advances		
Unsecured considered good	1.85	57.16
Unsecured, considered doubtful	5.90	5.90
	7.75	63.06
Less: Provision for doubtful advances	5.90	5.90
	1.85	57.16
Total (A)	1.85	57.16
Deposit with Banks more than 12 months (Margin money)	1.73	-
Prepaid Expenses	3.02	63.06
Total (B)	4.75	63.06
Total (A) + (B)	6.60	120.22

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(₹ in Mn)

12. Trade Receivables	As at March 31, 2020	As at March 31, 2019
Unsecured		
Considered good		
(Including from Holding Company ₹ 405.18 Mns, March 31, 2019 - ₹ 513.99 Mns)	2,024.03	2,242.59
Significant increase in credit risk	-	-
Credit impaired	226.56	149.33
Total	2,250.59	2,391.93
Less: Allowances for Doubtful Receivables (Refer Note 40B (i))	(226.56)	(149.33)
Total Trade Receivables	2,024.03	2,242.59

Note:

i) No Trade receivables are due from directors and other officers of the company either severally or jointly with any other person.

ii) For details of debts due from firms or private companies in which any director is a partner, a director or a member, refer Note 46 of related party transactions.

iii) The Carrying amount of trade receivables is pledged as security for borrowings. (Refer Note 22)

iv) Trade Receivables are non interest bearing and are generally with the credit period of 30 to 60 days.

(₹ in Mn)

13. Cash and Cash Equivalents	As at March 31, 2020	As at March 31, 2019
Cash on hand	4.06	3.63
Balance With Banks:		
- In Current Accounts	187.27	7.26
	191.33	10.89

(₹ in Mn)

14. Bank Balances other than above	As at March 31, 2020	As at March 31, 2019
Balances with Bank held as margin money/ security	15.28	6.22
Deposit with Banks with more than 3 months but less than 12 months*	77.53	95.77
	92.81	101.99

* Deposits with Banks has been earmarked for specified use related to business, as per the shareholder agreement between Gati Limited and Kintetsu World Express (S) Pte. Ltd.

(₹ in Mn)

15. Other Financial Assets	As at March 31, 2020	As at March 31, 2019
(Unsecured, Considered Good unless Otherwise Stated)		
Advance to Employees	2.50	1 83
Interest Accrued on Deposit/ Investment	1.09	0.95
Earnest Money Deposits	0.99	1 66
Other Receivables*	84.97	65 63
(Including from Holding Company ₹ 37.85 Mns, March 31, 2019 - ₹ 18.47 Mns)		
* Includes management fees receivable from Holding Company, and other receivables from business partners		
Total	89.55	70.07

(₹ in Mn)

16. Other Current Assets	As at March 31, 2020	As at March 31, 2019
(Unsecured, Considered Good unless Otherwise Stated)		
Advance against supply of Goods & Services	124.14	206.55
Less: - Allowances on advances	(21.86)	-
	102.28	206.55
Prepaid Expenses	29.56	37.86
Balances with Statutory Authorities	23.44	-
	155.28	244.41

17. Equity Share Capital	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Authorized:				
Equity Shares of ₹ 10/- each	7,50,000	7.50	7,50,000	7.50
		7.50		7.50
Issued:				
Equity Shares of ₹ 10/- each fully paid up	5,00,000	5.00	5,00,000	5.00
		5.00		5.00
Subscribed and Paid-up:				
Equity Shares of ₹ 10/- each fully paid up	5,00,000	5.00	5,00,000	5.00
	5,00,000	5.00	5,00,000	5.00

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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. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting except in case of interim dividend . In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding

c) Gati Limited is the Holding Company of this Company as at 31st March 2020. 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: (₹ in Mn)

Equity Shares of ₹ 10 each fully paid	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning of the year	5,00,000	5.00	5,00,000	5.00
Shares at the end of the year	5,00,000	5.00	5,00,000	5.00

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

Equity Shares of ₹ 10 each fully paid held by	As at March 31, 2020		As at March 31, 2019	
Name of the Shareholders	No. of Shares	% Holding	No. of Shares	% Holding
Gati Limited	3,50,000	70%	3,50,000	70%
Kintetsu World Express (S) Pte. Ltd.	1,30,000	26%	1,30,000	26%

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

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

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

(₹ in Mn)

18. Other Equity	As at March 31, 2020	As at March 31, 2019
Securities Premium	1,783.60	1,783.60
General Reserve	172.02	172.02
Retained Earnings	1,494.54	1,710.43
	3,450.15	3,666.05

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.

19. Non Current Borrowings	As at March 31, 2020		As at March 31, 2019	
	Non - Current	Current Maturities	Non - Current	Current Maturities
Secured				
i) Term Loan From Banks	234.99	121.90	103.53	60.40
ii) Term Loan From Others	14.70	9.85	-	-
iii) Vehicle Loan From Banks	180.38	77.33	146.09	55.97
iv) Vehicle Loan from Others	39.39	23.75	62.14	22.96
v) Finance lease Obligation (Refer Note 36)	-	-	116.27	27.97
Total (A)	469.46	232.83	428.03	167.30
Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note 24)		-232.83		-167.30
Total (B)	-	-232.83	-	-167.30
	469.46	-	428.03	-

Particulars of Nature of security

i) a) Rupee Term Loan from Bank is repayable in 8 quarterly instalment of ₹14.37 Mn between April 2020 to December 2021. The primary security being subservient charge on current assets and fixed assets of the company to the extent of 100% coverage on loan amount and collateral being property at Peenya, Bangalore. The above term loan is guaranteed by the Holding company. The loan carries interest one year MCLR+145bps.

b) Rupee Term Loan from Bank is repayable in 16 quarterly instalment of ₹12.5 Mn between April 2020 to June 2024. The primary security being subservient charge on current assets and fixed assets of the company to the extent of 100% coverage on loan amount and collateral being property at Peenya, Bangalore. The above term loan is guaranteed by the Holding company. The loan carries interest one year MCLR+125bps.

c) Rupee Term loan from Bank is hypothecated to its underlying fixed assets and is repayable in 36 monthly equal instalment of ₹ 0.25 Millions between April 2020 to March 2023 for equipment financing, and the underlying assets are hypothecated. The loan carries interest rate of one year MCLR+250bps.

d) Rupee Term loan from Bank is hypothecated to its underlying fixed assets and is repayable in 36 monthly equal instalment of ₹ 1.25 Millions between April 2020 to March 2023 for equipment financing, and the underlying assets are hypothecated. The loan carries interest rate of one year 18%.

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(₹ in Mn)

ii) Rupee Term loan from other financial institution is hypothecated to its underlying fixed assets and is repayable in 28 monthly equal instalment of ₹ 0.98 Millions between April 2020 to July 2022 for equipment financing, and the underlying assets are hypothecated The loan carries interest rate of Long term lending rate (LTLR) less 9.25% as announced by the institution from time to time.

iii) & iv) Vehicles are hypothecated against the Vehicle loans from Banks & other financial institutions.

v) The current year finance lease obligation is disclosed in Note 20. as per Ind AS 116, which is effective from April 1, 2019. Finance lease obligation is secured by hypothecation of leased vehicles.

(₹ in Mn)

20. Lease Liabilities	As at March 31, 2020		As at March 31, 2019	
	Non - Current	Current Maturities	Non - Current	Current Maturities
Lease Obligation (Refer Note 36)	580.57	95.97	-	-
Total	580.57	95.97	-	-

(₹ in Mn)

21. Provisions	As at March 31, 2020	As at March 31, 2019
Employee Benefits		
Gratuity (Refer Note 37)	47.74	46.63
Leave Encashment	27.71	27.29
Total	75.45	73.92

(₹ in Mn)

22. Current Borrowings	As at March 31, 2020	As at March 31, 2019
Secured		
i) Working Capital facilities from Banks		
- Cash Credit	1,249.58	971.98
Total	1,249.58	971.98

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 9.3%.

23. Trade Payables	As at March 31, 2020	As at March 31, 2019
For Goods and Services		
Total outstanding dues of micro enterprises and small enterprises (Refer Note No..38)	10.97	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
(a) Acceptances	135.66	223.14
(b) Others	726.18	864.22
	872.81	1,087.36

(₹ in Mn)

24. Other Financial Liabilities	As at March 31, 2020	As at March 31, 2019
Current Maturities of Long-term Borrowing Term Loan (Refer Note 19)	232.83	139.33
Current Maturities of Finance Lease Obligation	-	27.97
Interest Accrued but not due on borrowings	5.51	4.43
Employee Related Liabilities	149.59	185.05
Security Deposits	235.85	186.31
	623.78	543.09

(₹ in Mn)

25. Other Current Liabilities	As at March 31, 2020	As at March 31, 2019
Statutory dues	118.74	57.73
Others	214.34	229.03
	333.08	286.76

(₹ in Mn)

26. Provisions	As at March 31, 2020	As at March 31, 2019
Employee Benefits		
Gratuity (Refer Note 37)	9.26	7.01
Leave Encashment	8.29	13.33
	17.55	20.34

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(₹ in Mn)

27. Revenue from Operations	Year ended March 31, 2020	Year ended March 31, 2019
Sale of Services		
Freight and other service charges [including from Holding Company ₹ 522.89 Mns (Previous year ₹ 558.03 Mns)]	11,002.77	11,809.73
Supply Chain Management services	516.28	396.94
Total (A)	**11,519.05**	**12,206.67**
Other Operating Revenue		
Miscellaneous Income	31.92	40.47
Management fees	43.30	40.89
Total (B)	**75.22**	**81.36**
Grand Total (A) + (B)	**11,594.27**	**12,288.03**

A. Revenue from contracts with customers disaggregated based on revenue stream and by reportable (₹ in Mn)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Revenue based on product & services		
1. Segment Revenue (Net Sale / Income from each Segment)		
a) Express Distribution	11,519.05	12,206.67
b) Other Operating Revenues	75.22	81.36
Total	**11,594.27**	**12,288.03**
Revenue based on Geography		
India	11,594.27	12,288.03
Overseas	-	-
	11,594.27	**12,288.03**
Reconciliation of Revenue from Operation with contract price		
Revenue as per contract price	11,942.31	12,569.07
Less:		
Discounts	13.42	15.88
Credit note	198.20	252.22
Unsatisfied performance obligation	211.64	94.29
Revenue from Operation	**11,519.05**	**12,206.67**

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, 2020 is ₹ 211.64 Mn, which is expected to be recognised during next year.

Contract Balances (₹ in Mn)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contract Assets	17.24	32.07
Trade receivables	2,250.59	2,391.92
Less: Impairment allowances	(226.56)	(149.33)
Total	**2,024.03**	**2,242.59**

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.

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(₹ in Mn)

28. Other Income	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income from financial assets at amortised cost		
Deposits with Bank	11.14	8.34
Unwinding of financial asset	6.76	21.99
Other Non Operating Income		
Rent	2.03	2.28
Liabilities no longer required - written back	23.01	13.23
Others	3.10	1.34
Total	**46.04**	**47.18**

(₹ in Mn)

29 Operating Expenses	Year ended March 31, 2020	Year ended March 31, 2019
Freight (Including to Holding Company ₹ 12.79 Mn, Previous year ₹ 116.32 Mn)	6,742.70	7,597.70
Vehicles' trip expenses	624.01	359.22
Handling Charges	243.15	206.44
Vehicles' taxes	5.54	8.74
Vehicles' Insurance	4.12	2.57
Tyres and Tubes	5.92	3.07
Supply Chain Management services	352.38	285.19
Claims for Loss & Damages (Net)	61.64	93.85
Other Operating Expenses	86.13	105.49
Total	**8,125.59**	**8,662.28**

(₹ in Mn)

30. Employee Benefits Expense	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, Wages & Bonus	1,404.78	1,393.97
Contribution to Provident and Other Funds	116.13	79.80
Staff Welfare Expenses	27.14	26.32
Total	**1,548.05**	**1,500.09**

(₹ in Mn)

31. Finance Costs	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expenses		
Term Loans	59.65	27.21
Working Capital Loans	140.56	148.81
Finance lease obligation	-	14.60
Lease liabilities	84.59	-
Other Borrowing cost	4.39	2.64
Total	**289.19**	**193.26**

(₹ in Mn)

32. Depreciation and Amortisation Expense	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on Property, Plant and Equipment (Refer Note 4A)	189.81	164.72
Depreciation on Right-of-Use Asset (Refer Note 4C)	117.89	-
Amortisation of Intangible Assets(Refer Note 6)	16.67	14.86
	324.37	179.58

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33. Other Expenses	Year ended March 31, 2020	Year ended March 31, 2019
Lease Rentals (Refer Note 36)	556.02	662.95
(Including to Holding Company ₹ 44.5 Mns Previous year ₹ 49.16 Mns)		
Rates and Taxes	33.35	20.20
Insurance	13.20	11.21
Telephone expenses	13.17	16.86
Printing and Stationery	28.84	29.06
Travelling expenses	53.74	62.00
Professional and Legal expenses	51.70	58.82
Advertisement Expenses	26.78	31.46
Office Maintenance and Repairs	177.71	181.09
Electricity Expenses	92.90	93.63
Automation Network Expenses	51.23	56.15
Miscellaneous Expenses	82.65	96.16
Loss on disposal of Property, Plant and Equipment (Net)	3.59	0.22
Directors' Sitting fees	0.85	0.99
Commission to Non-Whole-Time Directors	-	0.65
Remuneration to Auditors (Note 33.1)	3.56	3.20
Allowance for Doubtful receivables	84.83	5.97
Allowance for other financial assets	21.86	-
Bad debts and irrecoverable balances written off	52.51	24.51
Less: - Provision for loss allowance recognized in earlier years	(7.61)	(24.51)
Corporate Social Responsibility Expenditure (Refer Note 33.2)	7.05	9.38
Donations	3.60	3.60
Total (A)	1,351.53	1,343.60
REPAIRS & MAINTENANCE		
Vehicles	11.58	13.25
Plant and Equipments	13.65	11.55
Buildings	0.70	1.40
Computers	60.98	48.83
Total (B)	86.91	75.02
Total (A) + (B)	**1,438.44**	**1,418.62**

(₹ in Mn)

33.1 Payment to Auditor (excluding Goods and Service Tax)	Year ended March 31, 2020	Year ended March 31, 2019
Statutory Audit fees	1.45	1.43
Taxation matters	0.61	0.61
Other matters	1.14	0.99
Reimbursement of out of Pocket Expenses	0.36	0.17
	3.56	**3.20**

(₹ in Mn)

33.2 Corporate Social Responsibility Expenditure	Year ended March 31, 2020	Year ended March 31, 2019
Gross amount required to be spent by the company during the year {including carried forward unspent amount of previous years} (A)	**21.45**	**22.28**
Amount Spent during the year ended on March 31, 2020 (B)		
i) Construction/Acquisition of any asset	-	-
ii) On purpose other than (i) above	7.05	9.38
	7.05	**9.38**
Accumulated amount unspent at the year end	**14.40**	**12.90**

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(₹ in Mn)

34. TAX EXPENSES	Year ended March 31, 2020	Year ended March 31, 2019
Profit Before Tax	(85.33)	381.38
Income Tax expenses recognised in Statement of Profit and Loss		
Current Tax	11.66	97.80
Deferred Tax	(19.24)	13.47
Total	(7.58)	111.27
Income Tax expenses recognised in Other Comprehensive Income		
Deferred tax expenses on remeasurements of defined benefit plans	(2.68)	(3.65)
Total	(2.68)	(3.65)
Grand Total	**(10.26)**	**107.62**
Profit After Tax	(77.75)	270.11
Other Comprehensive Income (Net of Tax)	(7.95)	(6.89)
Total Comprehensive Income	**(85.70)**	**263.22**

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

Profit/(Loss) before Tax	(85.33)	381.38
Applicable Tax Rate	25.17%	34.94%
Tax Expense	(21.48)	133.25
Tax Effect of :		
Expenses non-deductible for tax purposes	12.15	3.10
Expenses allowable for tax purposes	(10.50)	(19.44)
Reversal of opening deferred tax due to change in tax rate	11.28	-
Other Adjustments	0.96	(5.65)
Current Tax provision (A)	**(7.58)**	**111.27**
Effective Tax Rate	8.9%	29.18%

34.2 The Company opted to exercise the option permitted under section 115BBA of the Income Tax Act, 1961 as introduced by the Taxation laws (Amendment) Ordinance, 2019 and has taken 25.168% rate of corporate tax in its accounts. Accordingly the company has recognized provision for income tax for the year ended March 31, 2020 and re-measured its deferred tax assets/liabilities on the basis of above option.

35. Contingent liabilities and commitments

(₹ in Mn)

(I)	Contingent liabilities (to the extent not provided for)	As at March 31, 2020	As at March 31, 2019
(a)	**Claim against the Company not acknowledged as debt**		
(i)	Income tax Demand disputed in appeals (includes amount paid under protest and adjustments of ₹ 39.80Mn, previous year - 39.80Mn)	179.40	179.40
(ii)	Indirect Tax demand disputed in appeals	30.26	-
(iii)	Pending Litigations	42.89	19.23
	Total	**252.55**	**198.64**

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 judgments / 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.

(b)	Bank Guarantee*	**21.08**	**31.99**

* 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, 2020, Company is incompliance 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.

(₹ in Mn)

(II)	Commitments	As at March 31, 2020	As at March 31, 2019
(a)	**Commitment for acquisition of Property, Plant & Equipments and Intangible assets(Net of advances)**		
	Towards Property, Plant & Equipment	2.35	38.9[illegible]
	Towards Intangible Assets	6.20	14.12
		8.55	**53.03**

(b) For lease commitments Refer Note 36

36. Leases

Effective 1st April, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st April, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended 31st March 2019 have not been retrospectively adjusted.

The following is the summary of practical expedients elected on initial application:
(i) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

(ii) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
(iii) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
(iv) Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 12%.

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In the Statement of profit or loss for the current year, operating lease expenses which were recognized as other expenses in previous years are now recognized as depreciation expense for the right-of-use asset and finance cost for imputed interest on lease liability. The impact of adoption of this standard is as follows on the reported profit/(loss) for the year: -

Particulars	Comparable Basis	Ind AS Effect	As Reported
Finance Cost	215.70	73.49	289.19
Depreciation and Amortisation expenses	230.76	93.61	324.37
Other Expenses	1,564.14	(125.70)	1,438.44
Total Expenses	**2,010.60**	**41.40**	**2,052.00**
Profit/(loss) Before Tax	(43.93)	(41.40)	(85.33)

The changes in the carrying value of right of use (ROU) assets for the year ended 31st March, 2020 are disclosed in Note 4C

(₹ in Mn)

	As at March 31, 2020	As at March 31, 2019*
ROU Balance at the beginning of the year	**149.62**	**37.94**
Opening balance reclassified on account of adoption of Ind AS 116	612.39	-
Additions	-	135.12
Depreciation during the year	(117.89)	(23.38)
Deletions	(1.30)	(0.06)
ROU Balance at the end of the year	**642.82**	**149.62**
Lease liabilities at the beginning of the year	**144.24**	37.78
Additions	612.39	134.28
Interest cost accrued during the year	84.59	14.60
Payment of lease liabilities	(164.68)	(42.42)
Deletion	-	-
Lease liabilities at the end of the year	**676.54**	**144.24**
Current lease liabilities	95.97	27.97
Non-current lease liabilities	580.57	116.27
Total Lease liabilities	676.54	144.24

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.
Rental expense recorded for short-term leases or cancellable in nature was 667.39 Mns for the year ended 31st March, 2020.

The table below provides details regarding the contractual maturities of lease liabilities as of 31st March, 2020 on an undiscounted basis:

(₹ in Mn)

	Maturity Analysis for Leases	As at March 31, 2020	As at March 31, 2019*
	(a) Undiscounted contractual cashflows		
i)	Not later than one year	171.97	39.20
ii)	Later than one year but not later than five years	538.52	134.48
iii)	Later than five years	298.76	-
	Total (a)	**1,009.25**	**173.68**
	(b) Interest on lease liability		
i)	Not later than one year	76.00	11.23
ii)	Later than one year but not later than five years	197.78	18.22
iii)	Later than five years	58.93	-
	Total (b)	**332.71**	**29.45**
	(c) Principal portion of lease liability		
i)	Not later than one year	95.97	27.97
ii)	Later than one year but not later than five years	340.73	116.26
iii)	Later than five years	239.84	-
	Total (c) = (a-b)	**676.54**	**144.23**

* Represents disclosures for finance leases for FY 2018-19.

Future lease commitments - All leases other than included above are of either low value or cancellable at the option of the lessee.

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(₹ in Mn)

37. Disclosure as required under Ind AS -19 on employee benefits	As at March 31, 2020	As at March 31, 2019
Statement of Assets and Liabilities for defined benefit obligation		
Net defined benefit obligation - Gratuity Plan	(113.33)	(93.88)
Net defined benefit asset - Gratuity Plan	56.33	40.25
Total employee benefit (liabilities) / Assets	**(57.00)**	**(53.63)**

(₹ in Mn)

Defined contribution	As at March 31, 2020	As at March 31, 2019
Provident/Pension fund	78.34	49.19
Superannuation fund	3.59	4.32
Employee state insurance	13.83	11.73
	95.76	**65.24**

Defined benefits - Gratuity

The Company provides 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 interest risk and market (investment) risk.

The Company expects to contribute ₹ 12 Mn 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 Statement of Profit and Loss, actuarial assumptions and other information.

(₹ in Mn)

Reconciliation of the net defined benefit (asset)/ liability:	As at March 31, 2020	As at March 31, 2019
(I) Reconciliation of present value of defined benefit obligation		
(a) Balance at the beginning of the year	93.89	84.49
(b) Current service cost	12.65	9.82
(c) Interest cost	7.05	6.46
(d) Benefits paid	(12.27)	(16.53)
(e) Actuarial (gains)/ losses recognised in other comprehensive income		
change in demographic assumptions	(0.03)	
change in financial assumptions	7.05	6.44
experience adjustments	4.99	3.21
Balance at the end of the year	**113.33**	**93.89**
(II) Reconciliation of present value of plan assets		
(a) Balance at the beginning of the year	40.25	38.71
(b) Actual return on plan assets	4.40	2.07
(c) Contributions by the employer	12.00	16.00
(d) Benefits paid	(12.27)	(16.53)
(e) Acquisition Adjustment	11.95	-
Balance at the end of the year	**56.33**	**40.25**
(III) Net asset/ (liability) recognised in the Balance Sheet		
(a) Present value of defined benefit obligation	(113.33)	(93.88)
(b) Fair value of plan assets	56.33	40.25
Net defined benefit obligations in the Balance Sheet	**(57.00)**	**(53.63)**

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(IV) Expense recognised in Statement of Profit or Loss			
(a)	Current service cost	12.65	9.82
(b)	Past service cost	-	-
(c)	Interest cost	7.05	6.46
(d)	Interest income	(3.02)	(2.96)
Amount charged to Profit or Loss		**16.68**	**13.32**
(V) Remeasurements recognised in Other Comprehensive Income			
(a)	Actuarial gain / (loss) on defined benefit obligation	12.01	9.65
(b)	Return on plan asset excluding interest income	(1.38)	0.89
Amount recognised in Other Comprehensive Income		**10.63**	**10.54**
(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	6.50%	7.50%
(b)	Future salary growth	4.00%	4.00%
(c)	Retirement age (years)	58	58
(d)	Withdrawal rates	9%	9%

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

(IX) Sensitivity analysis

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

		March 31, 2020		March 31, 2019	
		Increase	Decrease	Increase	Decrease
(a)	Discount rate (1% movement)	(7.06)	7.97	(5.60)	6.26
(b)	Future salary growth (1% movement)	7.91	(7.12)	6.21	(5.06)
(c)	Withdrawal assumption (1% movement)	0.87	(0.99)	1.06	(1.21)

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 Mn)

Expected cash flows over the next (valued on undiscounted cash flows)	As at March 31, 2020	As at March 31, 2019
1 year	18.41	12.27
2 to 5 year	49.30	47.64
6 to 10 year	46.51	42.21
more than 10 years	76.40	66.33

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(₹ in Mn)

38. Due to Micro enterprises and small enterprises	As at March 31, 2020	As at March 31, 2019
(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	10.97	-
Interest due on above	-	-
Total	10.97	-
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

Dues to Micro, small and Medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. (March 31, 2019 - Nil).

(₹ in Mn)

39. Dividend	As at March 31, 2020	As at March 31, 2019
The final dividend propesed for the year is as follows:		
Amount of dividend proposed (excluding tax on dividend on equity shares)	-	108.0
Dividend per equity share (In ₹)	-	216.0

The Board of Directors at its meeting held on 23-06-2020 have decided not to recommend any final dividend on equity shares for financial year 2019-20 with a view to conserve cash to be deployed in business due to heightened uncertainty caused by Covid - 19.

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40. 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, 2020

(₹ in Mn)

Particulars	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					
Loans	-	-	330.61	-	330.61
Trade receivables	-	-	2,024.03	-	2,024.03
Cash and cash equivalents	-	-	191.33	-	191.33
Other bank balances	-	-	92.81	-	92.81
Other financial assets	-	-	89.55	-	89.55
	-	**-**	**2,728.33**	**-**	**2,728.33**
Financial liabilities not measured at fair value					
Borrowing	-	-	-	1,951.87	1,951.87
Lease liabilities				676.54	676.54
Trade payables	-	-	-	872.81	872.81
Other financial liabilities	-	-	-	385.44	385.44
	-	**-**	**-**	**3,886.66**	**3,886.66**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2019

(₹ in Mn)

Particulars	Carrying amount				
	FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount
Financial assets not measured at fair value					
Loans	-	-	273.22	-	273.22
Trade receivables	-	-	2,242.59	-	2,242.59
Cash and cash equivalents	-	-	10.89	-	10.89
Other bank balances	-	-	101.99	-	101.99
Other financial assets	-	-	70.07	-	70.07
	-	**-**	**2,698.76**	**-**	**2,698.76**
Financial liabilities not measured at fair value					
Borrowing	-	-	-	1,567.31	1,567.31
Trade payables	-	-	-	1,087.36	1,087.36
Other financial liabilities	-	-	-	371.36	371.36
	-	**-**	**-**	**3,026.03**	**3,026.03**

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, 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.

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(i) Credit risk

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

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables (Gross)	2,250.59	2,391.92
Less: Expected Credit Loss	226.56	149.33
Trade Receivables (Net)	**2,024.03**	**2,242.59**

(₹ in Mn)

Reconciliation of loss allowance provision (Trade receivables)	Amount
Loss Allowance on 1st April 2018	**167.88**
Change in Loss allowance	(18.55)
Loss Allowance as on March 31, 2019	**149.33**
Change in Loss allowance	77.23
Loss Allowance as on March 31, 2020	**226.56**

b) Loans (Security deposits given)

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

(ii) Liquidity risk

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

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

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

(₹ in Mn)

March 31, 2020	Carrying amount	Contractual cashflows			
		Total	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	1,951.87	1,951.87	1,482.41	469.46	-
Lease liabilities	676.54	676.54	95.97	340.73	239.84
Trade payables	872.81	872.81	872.81	-	-
Other financial liabilities	385.44	385.44	385.44	-	-
	3,886.66	**3,886.66**	**2,836.63**	**810.19**	**239.84**

(₹ in Mn)

March 31, 2019	Carrying amount	Contractual cashflows			
		Total	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	1,567.31	1,567.31	1,139.28	428.03	-
Trade payables	1,087.36	1,087.36	1,087.36	-	-
Other financial liabilities	371.36	371.36	371.36	-	-
	3,026.03	**3,026.03**	**2,598.00**	**428.03**	**-**

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(iii) Floating exchange rate and interest rate risk

Floating exchange rates

Floating exchange 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 any 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 flows 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 an 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 Mn)

Particulars	As at March 31, 2020	As at March 31, 2019
Fixed rate instruments		
Financial assets	-	-
Financial liabilities		
Vehicle Loan From Banks	257.71	202.06
Vehicle Loan from Others	63.14	85.10
Lease liabilities (refer note 36)	676.54	144.24
	997.39	**431.40**
Variable rate instruments		
Financial assets	-	-
Financial liabilities		
Term Loan From Banks	356.89	163.93
Term Loan From Others	24.55	-
Cash Credit	1,249.58	971.98
	1,631.02	1,135.91
	2,628.41	1,567.32

Sensitivity analysis

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

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

(₹ in Mn)

Particulars	Effect on profit before tax		Effect on Equity	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Variable rate instruments - increase by 100 basis points	16.31	11.36	16.31	11.36
Variable rate instruments - decrease by 100 basis points	(16.31)	(11.36)	(16.31)	(11.36)

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.

41. 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.

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

(₹ in Mn)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Borrowings (includes current maturities of long term borrowing)	1,951.87	1,567.31
Less:-		
Cash and cash equivalents	191.33	10.89
Bank Balances other than Cash and cash equivalents	92.81	101.99
Net Debt	**1,667.73**	**1,454.43**
Equity	3,455.15	3,671.05
Debt to equity ratio	0.48	0.40

(₹ in Mn)

42. Earnings per Share	Year ended March 31, 2020	Year ended March 31, 2019
Profit/(Loss) for the year	(77.75)	270.11
Weighted average number of shares (Nos.)	5,00,000	5,00,000
Basic and Diluted Earnings Per Share (In ₹)	(155.50)	540.23
Nominal value of shares outstanding (In ₹)	10	10

43. a) The managerial remuneration paid to the Executive chairman and a Deputy Managing Director of the company for the year ended March 31, 2020 has exceeded the limit prescribed under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 40.31 Mn, pending necessary approvals for the excess remuneration from members of the company, no adjustment to the financial statements has been made.
b) An amount of Rs 14.09 Mn is recoverable from Executive Chairman, towards excess payment of managerial remuneration of ₹ 6.30 Mn for 2016-2017 and ₹ 7.79 Mn for 2017-2018, ₹ 6.30 Mn has since been received. The excess remuneration is arising out of a contractual obligation as part of the conditions of service extended to pay remuneration as agreed and as per legal opinion this is not a loan under section 185. Necessary steps are being taken to recover the amount.

44. The Company has initiated recovery of overdue advances given ₹ 73.23 Mn to a party in an earlier year and out of which ₹ 43.71 Mn is outstanding as of 31st March, 2020. Out of the amount receivable, the management has provided ₹ 21.86 Mn in books of accounts. The management has sent a further legal notice to recover the total outstanding amount.

45. The COVID-19 pandemic is rapidly spreading throughout the world. The operations of the Company were impacted, due to shutdown of all operating units and distribution centres, following nationwide lockdown by the Government of India. The Company has resumed operations in a phased manner as per directives from the Government of India. The Company has evaluated impact of this pandemic on its business operations and financial position and based on its review of current indicators of future economic conditions, there is no significant impact on its financial statements as at 31st March 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions.

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Notes to financial statements for the year ended March 31, 2020

46. Related party disclosures

(A) Names of related parties and description of relationship for the year ended March 31, 2020

a) **Holding Company**
Gati Limited

b) **Fellow Subsidiaries**
i) Gati Kausar India Ltd
ii) Gati Import Export Trading Ltd
iii) Gati Cargo Express (Shanghai) Co. Ltd

c) **Entities in which Key Managerial Personnel & their relatives able to excecise 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) P.D.Agarwal Foundation
vii) Solaflex Solar Energy Private Limited
viii) ABC India Ltd

d) Entities under common influence /control with the company
Kintetsu World Express (India) Pvt. Ltd.
TCI Telenet Solutions Pvt Ltd

e) List of Key Managerial Personnel:

Whole-time directors
Mr. Mahendra Agarwal
Mr. Bala Subramanian Aghoramurthy

Non Whole-time directors
Mr. R Ramachandran
Ms. Sheela Bhide
Mr. Kok Seng Tan
Mr. SushilKumar Jiwarajka (Appointed on 19.09.2019 & Resigned on 05.12.2019)

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46. **Related party disclosures (contd..)**

(B) **Summary of the transactions with related parties:**

(₹ in Mn)

Sl. No		Nature of transactions	Key Managerial Personnel & Relatives		Entities in which Significant Influence Exists		Entities under common influence /control with the company		Holding Company		Fellow Subsidiaries		Total	
(i)		**EXPENDITURE**	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
	a)	**Rent**												
		TCI Finance Ltd	-	-		0.18	-	-	-	-	-	-	-	0.18
		Giri Roadlines & Commercial Trading Pvt Ltd	-	-	6.39	6.26	-	-	-	-	-	-	6.39	6.26
		Jaldi Traders & commerce house Pvt Ltd	-	-	15.04	14.86	-	-	-	-	-	-	15.04	14.86
		P.D.Agarwal Foundation	-	-	1.05	0.25	-	-	-	-	-	-	1.05	0.25
		TCI Telenet Solutions Pvt Ltd	-	-	-	-	3.60	3.60	-	-	-	-	3.60	3.60
		Gati Limited	-	-	-	-	-	-	44.50	49.16	-	-	44.50	49.16
		ABC India Limited	0.25										0.25	
													70.83	74.30
	b)	**Remuneration**												
		Mahendra Agarwal*	34.06	33.33	-	-	-	-	-	-	-		34.06	33.33
		Bala Subramanian Aghoramurthy(#)	30.38	14.99	-	-	-	-	-	-	-	-	30.38	14.99
		Sitting Fees												
		Sheela Bhide	0.37	0.43	-	-	-	-	-	-	-	-	0.37	0.43
		R Ramachandran	0.41	0.56									0.41	0.56
		SushilKumar Jiwarajka	0.07	-	-	-	-	-	-	-	-	-	0.07	-
													65.29	49.30
	c)	**Fuel Expenses**	-	-	-	-	-	-	0.14	0.19	-	-	0.14	0.19
	d)	**Freight Expenses**												
		TCI Hi-Ways Pvt Ltd	-	-		45.13	-	-	-	-	-	-	-	45.13
		Gati Kausar India Ltd	-	-	-	-	-	-	-	-	3.78	15.27	3.78	15.27
		Gati Limited (Railway Expenditure)	-	-	-	-	-	-	12.79	116.32	-	-	12.79	116.32
													16.57	176.72
	e)	**Management Fees**	-	-	-	-	-	-	14.28	14.37	-	-	14.28	14.37
	f)	**Manpower Expenses**												
		Gati Academy	-	-	60.18	68.09	-	-	-	-	-	-	60.18	68.09
	g)	**Donation**												
		Share India	-	-	3.60	3.60	-	-	-	-	-	-	3.60	3.60
	h)	**Employees Compensation Cost**	-	-	-	-	-	-	1.79	3.23	-	-	1.79	3.23
	i)	**Electricity Expenditure**												
		Solaflex Solar Energy Private Limited	-	-	1.17	1.21	-	-	-	-	-	-	1.17	1.21

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GATI-KINTETSU EXPRESS PRIVATE LIMITED

(ii)		INCOME												(₹ in Mn)
	a)	**Freight**												
		Kintentsu World Express (India) Pvt Limited	-	-	-	-	70.52	54.30	-	-	-	-	70.52	54.30
		Gati Limited	-	-	-	-	-	-	522.89	558.03	-	-	522.89	558.03
		Gati Import Export Trading Limited	-	-	-	-	-	-	-	-	73.72	76.08	73.72	76.08
													667.13	688.41
	b)	**Warehouse Income**												
		Gati Academy	-	-	1.00	1.23	-	-	-	-	-	-	1.00	1.23
		TCI Hi-Ways Pvt Ltd	-	-	0.37	0.39	-	-	-	-	-	-	0.37	0.39
		Kintentsu World Express (India) Pvt Limited	-	-	-	-	36.20	31.59	-	-	-	-	36.20	31.59
		Gati Import Export Trading Limited	-	-	-	-	-	-	-	-	0.66	0.66	0.66	0.66
		Fozal Power Private Limited	-	-	-	-		0.16	-	-	-	-	-	0.16
		Gati Cargo Express (Shanghai) Co. Ltd	-	-	-	-	-	-	-	-	2.82	1.14	2.82	1.14
													41.05	35.17
	C)	**Other Operating Income**												
		Gati Limited (Management Fee)	-	-	-	-	-	-	43.30	40.88	-	-	43.30	40.88
													43.30	40.88
	D)	**Interest Income**												
		'Jaldi Traders & commerce nouse Pvt Ltd	-	-	1.13	-	-	-	-	-	-	-	1.13	-
													1.13	-
(iii)		**Dividend Paid**												
		Kintetsu World Express (India) Pvt. Ltd	-	-	-	-	4.32	4.96	-	-	-	-	4.32	4.96
		Gati Limited	-	-	-	-	-	-	75.60	86.71	-	-	75.60	86.71
													79.92	91.67

GATI KINTETSU EXPRESS PRIVATE LIMITED
Notes to financial statements for the year ended March 31, 2020

46. Related party disclosures (contd..)

(C) Summary of closing balances with related parties:

(₹ in Mn)

Sl. No.		Nature of transactions	Key Managerial Personnel & Relatives		Entities in which Significant Influence Exists		Entities under common influence /control with the company		Holding Company		Fellow Subsidiaries		Total	
			As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
(iv)	a)	**Sundry Debtors**												
		TCI Hi Ways Pvt Ltd	-	-	0.10	0.08	-	-	-	-	-	-	0.10	0.08
		Gati Academy	-	-	(0.03)	-	-	-	-	-	-	-	(0.03)	-
		Kintentsu World Express (India) Pvt Limited	-	-	-	-	26.90	14.85	-	-	-	-	26.90	14.85
		Gati Limited	-	-	-	-	-	-	405.18	513.99	-	-	405.18	513.99
		Gati Import Export Trading Limited	-	-	-	-	-	-	-	-	19.57	29.43	19.57	29.43
													451.72	558.35
	b)	**Other Receivables**												
		Mr. Mahendra Agarwal	24.65										24.65	-
		Gati Limited							37.85				37.85	-
		Gati Kausar India Ltd									3.41		3.41	-
		Gati Import Export Trading Limited									0.24		0.24	-
		Gati Cargo Express (Shanghai) Co. Ltd	-	-	-	-	-	-	-	-	0.61	0.74	0.61	0.74
													66.76	0.74
	c)	**Deposits Given**												
		Solaflex Solar Energy (P) Ltd	-	-	2.00	2.00	-	-	-	-	-	-	2.00	2.00
		Jaldi Traders & Commerce House Pvt Ltd	-	-	9.32	12.12	-	-	-	-	-	-	9.32	12.12
		TCI Telenet Solutions (P) Ltd	-	-	-	-	1.80	1.80	-	-	-	-	1.80	1.80
		Gati Limited	-	-	-	-	-	-	71.93	71.93	-	-	71.93	71.93
													85.05	87.85
	d)	**Sundry Creditors**												
		TCI Hi-Ways Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-
		Share India	-	-	0.30	0.30	-	-	-	-	-	-	0.30	0.30
		TCI Finance Ltd	-	-	-	-	-	-	-	-	-	-	-	-
		Giri Road lines and Commercial Trading Pvt Ltd	-	-	0.57	-	-	-	-	-	-	-	0.57	-
		Gati Limited	-	-	-	-	-	-	27.85	1.16	-	-	27.85	1.16
		Gati Kausar India Ltd	-	-	-	-	-	-	-	-	0.24	0.92	0.24	0.92
		Solaflex Solar Energy (P) Ltd	-	-	0.20	0.11	-	-	-	-	-	-	0.20	0.11
		Jaldi Traders & Commerce House Pvt Ltd			-								-	
		TCI Telenet Solutions Pvt Ltd					0.32						0.32	
		P.D.Agarwal Foundation					0.94						0.94	
		Gati academy	-	-	1.39	5.05	-	-	-	-	-	-	1.39	5.05
		R Ramachandran		0.03	-	-	-	-	-	-	-	-	-	0.03
		Sheela Bhide		0.03	-	-	-	-	-	-	-	-	-	0.03
		ABC India Limited	0.02										0.02	-
													31.83	7.60
	e)	**Other Operational Advances**												
		TCI Hi-Ways Pvt Ltd	-	-	43.71	43.88	-	-	-	-	-	-	43.71	43.88
		Less: - Provision on Advances			(21.86)								(21.86)	-
													21.85	43.88
	f)	**Corporate Guarantee taken**	-	-	-	-	-	-	315.00	381.27	-	-	315.00	381.27

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
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 Ominibus Approval given by the Audit committee.
The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given for FY 2019-20.
The remuneration of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.

GATI KINTETSU EXPRESS PRIVATE LIMITED

Notes on Financial Statements for the year ended March 31, 2020

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

48. Previous year's figures have been regrouped / reclassfied wherever necessary to confirm to the current year's presentation.

49. The financial statement are approved for issue by the Audit Committee at its meeting held on June 23, 2020 and by the Board of Directors at its meeting held on June 23, 2020.

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

Anurag Singhi	**Mahendra Agarwal**	**Bala Aghoramurthy**
Partner	Executive Chairman	Deputy Managing Director
Membership no: 066274	DIN: 00179779	DIN: 06960138
Place: Kolkata	Place: Hyderabad	
Date: June 23, 2020	Date: June 23, 2020	

GATI-KINTETSU EXPRESS PRIVATE LIMITED HYDERABAD

Chartered Accountants