

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Allcargo Supply Chain Private Limited
(Formerly known as Avvashya Supply Chain Private Limited)

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of **Allcargo Supply Chain Private Limited** ("the Company") (formerly known as Avvashya Supply Chain Private Limited), which comprise the Balance sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 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 31st March 2023, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter

We draw attention to Note 30 of the Standalone Ind AS financial statements regarding the accounting of the demerger of the Contract Logistics business of Avvashya CCI Logistics Private Limited (Demerged Undertaking) into the Avvashya Supply Chain Private Limited under the Scheme of Arrangement (the 'Scheme') approved by the National Company Law Tribunal (NCLT). In accordance with the provisions of Ind AS 103 notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended), the Demerger should have been accounted for from the date of transfer of control, however the same has been accounted for with effect from appointed date i.e. April 1, 2021 in accordance with the Scheme and Circular No. 09/2019 dt. August 21, 2019, issued by the Ministry of Corporate Affairs (MCA). Our opinion is not modified in respect of this matter.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusions 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 the 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Standalone Financial Statements

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

- Identify and assess the risks of material misstatement of the Ind AS 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone 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 standalone financial statements.

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

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



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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paras 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Controls over financial reporting.



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

In our opinion and to the best of our information and according to the explanations given to us, the Company is not a public Company and this provisions of Section 197 read with Schedule V of the Act is not applicable to the Company. Thus, this para is not applicable to the Company.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would impact its financial position.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The Company has not proposed dividend during the year in accordance with Section 123 of the Act, as applicable.

For C C Dangi & Associates

Chartered Accountants

ICAI Firm Reg. No.102105W



Ashish C. Dangi

Partner

Membership No.: 122926

UDIN: 23122926BGZDAC5923

Place: Mumbai

Date: 26th May, 2023

Annexure A to the Independent Auditor's Report

The Annexure referred to in our Independent Auditor's Report to the members of **Allcargo Supply Chain Private Limited** (the "Company") on the Ind AS financial statements for the year ended 31st March, 2023, we report that:

- (i) In respect of its Property, Plant & Equipment & Intangible Assets:
- (a) A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The property, plant and equipment and right of use asset were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment and right of use asset at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties and hence reporting under clause 3(i)(c) of the Order is not applicable.
- (d) The Company has not revalued any of its property, plant and equipment (including right of use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) a) The Company is a service company primarily rendering hiring services, contract logistics services. Accordingly, it does not hold any physical inventories. Thus, para 3(ii)(a) of the Order is not applicable to the Company.
- b) The Company has not been sanctioned working capital limits in excess of Rs. Five Crores in aggregate from banks and/or financial institutions during the year at any point of time on the basis of current assets of the Company. Thus, para 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not granted loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013.



Consequently, the provisions of para 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order are not applicable to the Company.

- (iv) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not given loans, guarantees, and security, or invested in other companies covered under section 185 and 186 during the period under audit & hence reporting under para 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us the Company has not accepted any deposits from the public so as to require any compliance of the directives of Reserve Bank of India or the provisions of section 73 or 76 of the Companies Act, 2013. As explained to us, the Company has not received any order passed by the Company Law Board or the National Company Law Tribunal or any court or other forum.
- (vi) According to the information and explanation given to us, maintenance of cost records is not applicable to the Company & hence reporting under para 3(vi) of the order is not applicable to the company.
- (vii) In respect of its statutory dues:
- (a) In our opinion and according to the information and explanations given to us, the Company is normally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, TDS, GST, Profession tax, cess and any other applicable statutory dues to the appropriate authorities. There are no outstanding statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable except below:-

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Remarks
Provident Fund Act, 1952	Provident Fund	Rs.6,82,785/-	2022-23	As per explanation & information provided by the Management, Company has not deposited the said amount of PF to Government Exchequer due to non-linkage with Aadhar



- (b) According to the information and explanations given to us, there are no disputed dues of income tax, GST etc. which have not been deposited with the appropriate authority on account of any dispute.
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) As per information and explanations given by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) The funds raised by the Company on short term basis have not been utilised for long term purposes.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised any loans during the year and hence para 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, para 3(x)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence para 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit nor have we been informed of such case by the management.



(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and upto date of this report.

(c) As informed by the management, no whistle-blower complaints received during the year by the Company.

(xii) The Company is not a Nidhi Company as defined under section 406 of the Companies Act, 2013. Accordingly, para 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties during the current audit year are in compliance with section 177 and 188 of Companies Act, 2013. The Company has complied with the requirement disclosing the details in the Ind AS Financial Statements and as required by the applicable accounting standards.

(xiv) (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

(xv) On the basis of information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, para 3(xv) of the Order is not applicable to the Company.

(xvi) (a) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, para 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(b) In our opinion, there is no core investment within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly para 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred any Cash Losses in the financial year covered by our audit and in the immediately preceding financial year.



- (xviii) There has been resignation of the statutory auditors of the Company during the year due to the reconstitution of the Allcargo Group and for the convenience of the audit. There are no issues, objections or concerns raised by the outgoing auditors.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to the information and explanations given to us by the management and our examination of books of account, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act pursuant to any project. Accordingly, para 3(xx)(a) and 3(xx)(b) of the Order are not applicable to the Company.

For C C Dangi & Associates

Chartered Accountants

ICAI Firm Reg. No.102105W

Ashish C. Dangi

Partner

Membership No.: 122926

UDIN: 23122926BGZDAC5923

Place: Mumbai

Date: 26th May, 2023



Annexure - B to the Independent Auditor's Report

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")

1. We have audited the internal financial controls over financial reporting of **Allcargo Supply Chain Private Limited** ("the Company") as of 31st March, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended and as at on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



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

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

Meaning of Internal Financial Controls with reference to Ind AS financial statements

5. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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

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



Opinion

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

For C C Dangi & Associates

Chartered Accountants

ICAI Firm Reg. No.102105W



Ashish C. Dangi

Partner

Membership No.: 122926

UDIN: 23122926BGZDAC5923

Place: Mumbai

Date: 26th May, 2023

Allcargo Supply Chain Private Limited

(Formerly known as Avvashya Supply Chain Private Limited)

Notes to the financial statements for the year ended 31st March, 2023

1. Corporate Information

Allcargo Supply Chain Private Limited (Formerly known as Avvashya Supply Chain Private Limited), (the 'Company') was incorporated on 28th February, 2008 and is engaged in business of providing the services of contract logistics and multimodal transport operations which includes Customs Clearance and Freight Forwarding as primary activities.

The Company is a private limited company, domiciled in India and incorporated under the provisions of the Companies Act, 1956 and has its registered office at 6th floor, Allcargo House, CST road, Kalina, Santacruz (East), Mumbai – 400098, Maharashtra, India.

2. Significant accounting policies

2.1 (a) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies Rules 2015 read with Section 133 of the Companies Act, 2013.

(b) Basis of preparation

These financial statements are prepared under the historical cost convention on the accrual basis except for derivative financial instruments and certain other financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments). The financial statements have been prepared on a going concern basis.

2.2 Summary of significant accounting policies

a. Use of estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

b. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be 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 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



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- 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.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c. Foreign currencies:

The Company's financial statements are presented in Indian Rupees, which is also the functional currency.

Transaction and balances

Transactions in foreign currencies are initially recorded at its functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Exchange differences arising on translation / settlement of foreign currency monetary items are recognized as income or expenses in the period in which they arise.

d. Fair value measurement

In determining the fair value of its financial instruments, the company uses assumptions that are based on market conditions and risks existing at each reporting date. The method used to determine the fair value includes Discounted Cash Flow analysis, available quoted market price and dealer quotes. All methods of assessing fair value result in general approximation of fair value and such value may never be actually realized. For all other financial instruments, the carrying amount approximates Fair Value due to the short maturity of those instruments.

e. Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The specific recognition criteria described below must also be met before revenue is recognized.

Multimodal transport income

Export and Import revenue is recognized when the vessel arrives at the port of destination which is the Company's completion of performance obligation.



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Notes to the financial statements for the year ended 31st March, 2023

Contract Logistics

Contract Logistics service charges and management fees are recognised as and when the services are performed as per the contractual terms.

Others:

All the reimbursement expenses incurred on behalf of the customers is netted off with the relevant reimbursement income received from the customer.

Interest income is recognised on time proportion basis. Interest income is included in finance income in the Statement of Profit and Loss.

Dividend income is recognized when the Company's right to receive the payment is established i.e. the date on which shareholders approves the dividend.

Business support charges are recognized as and when the related services are rendered.

f. Contract balances

Contract balances include trade receivables, contract assets and contract liabilities.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade receivables are separately disclosed in the financial statements.

Contract assets

Contract asset includes the costs deferred for multimodal transport operations relating to export freight & origin activities and Container freight stations operations relating to import handling and transport activities where the Company's performance obligation is yet to be completed.

Additionally, a contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier).

Contract liabilities are recognized as revenue when the Company performs under the contract.



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(Formerly known as Avvashya Supply Chain Private Limited)

Notes to the financial statements for the year ended 31st March, 2023

g. Taxes

Current Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.



Allcargo Supply Chain Private Limited

(Formerly known as Avvashya Supply Chain Private Limited)

Notes to the financial statements for the year ended 31st March, 2023

h. Property, plant and equipment

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use. Borrowing cost relating to acquisition of tangible assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Capital work in progress is stated at cost.

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. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows

Category	Useful lives (in years)
Furniture and fixtures	10
Vehicles	8 to 10
Computers	3 to 6
Office equipments	5
Plant and machinery	15
Leasehold improvements	shorter of the estimated useful life of the asset or the lease term not exceeding 10 years

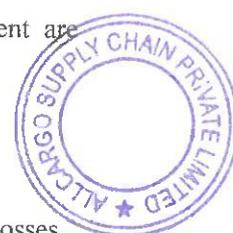
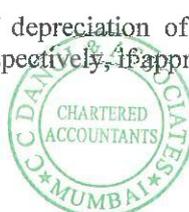
The Company, based on internal assessment and management estimate, depreciates certain items of Heavy Equipments and Office Equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

i. Intangible assets

Intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Computer software is amortized on a straight-line basis over a period of 6 years basis the life estimated by the management. The amortization period and the amortization method for an intangible asset with a finite useful life are



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Notes to the financial statements for the year ended 31st March, 2023

reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

j. Impairment of non-financial assets (Tangible and Intangible Assets)

The Company assesses Property, plant and equipment and intangible assets with finite life at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, 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) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

k. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l. Leases

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.



Allcargo Supply Chain Private Limited

(Formerly known as Avvashya Supply Chain Private Limited)

Notes to the financial statements for the year ended 31st March, 2023

i. Right-of-use 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 remeasurement 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. Company does not have any Right-of-use assets which are depreciated on a straight-line basis for the period shorter of the lease term.

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 section (j) Impairment of non-financial assets.

ii. Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

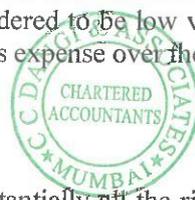
In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured 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.

iii. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases i.e., those leases that have a lease term of 12 months or less from the date of transition. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on



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Notes to the financial statements for the year ended 31st March, 2023

the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

m. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, 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. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

n. Contingent Liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

o. Retirement and other employee benefits

• Short term employee benefits

Employee benefits payable wholly within twelve months of availing employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short term employee benefits such as salaries and wages, bonus and ex-gratia to be paid in exchange of employee services are recognized in the period in which the employee renders the related service.

• Postemployment benefits

Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards Provident Fund and Employees State Insurance Corporation ('ESIC'). The contribution of these is recognized as an expense in the Statement of Profit and Loss during the period in which employee renders the related service. There are no other obligations other than the contribution payable to the Provident Fund and Employee State Insurance Scheme.

Defined benefit plan:

Gratuity liability is provided for on the basis of an actuarial valuation done as per projected unit credit method, carried out by an independent actuary at the end of the year. The Company's gratuity benefit scheme is a defined benefit plan.

The Company makes contributions to a trust administered and managed by an Insurance Company to fund the gratuity liability. Under this scheme, the obligation to pay gratuity remains with such Company, although the Insurance Company administers the scheme.



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Notes to the financial statements for the year ended 31st March, 2023

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. The Company presents the leave as a short-term provision in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as long-term provision.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

p. Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial asset, that are not at fair value through profit or loss, are added to the fair value on initial recognition. 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 recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

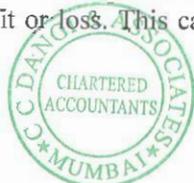
For purposes of subsequent measurement, financial assets are classified in two categories:

a. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.



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Notes to the financial statements for the year ended 31st March, 2023

b. Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

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

Debt instruments 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). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

c. Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

d. Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



Allcargo Supply Chain Private Limited

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Notes to the financial statements for the year ended 31st March, 2023

Impairment of financial assets

In accordance with IND AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets which are not fair valued through statement of profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL at each reporting date, right from its initial recognition. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there

has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

As a practical expedient, The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.



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Notes to the financial statements for the year ended 31st March, 2023

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

r. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated in the Cash flow statement.

s. Earning Per Equity Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit of the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

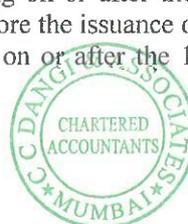
The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.3 New amended in Ind AS

(i) Amendments to Ind AS 116: Covid-19-Related Rent Concessions.

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The amendments are applicable for annual reporting periods beginning on or after the 1 April 2020. In case, a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after the 1 April 2019. This amendment had no impact on the financial statements of the Company.



Allcargo Supply Chain Private Limited

(Formerly known as Avvashya Supply Chain Private Limited)

Notes to the financial statements for the year ended 31st March, 2023

(ii) Amendments to Ind AS 1 and Ind AS 8: Definition of Material

The amendments provide a new definition of material that states, information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

These amendments are applicable prospectively for annual periods beginning on or after the 1 April 2020. The amendments to the definition of material are not expected to have a significant impact on the Company’s financial statements.

For C C Dangi & Associates
Chartered Accountants
ICAI firm registration No.102105W



Ashish C. Dangi

Partner
Membership No. 122926

For and on behalf of Board of Directors of
Allcargo Supply Chain Private Limited
CIN: U45200MH2008PTC179557



Adarsh Hegde

Director
(DIN:00035040)



Ravi Jakhar

Director
(DIN: 02188690)



Sadik Jafar Thange

Company Secretary
M No. A56898



Place: Mumbai
Date: 26th May, 2023

Allcargo Supply Chain Private Limited
(Formerly known as Avvashya Supply Chain Private Limited)
Balance sheet as at 31st March, 2023
(Amount in Lakhs)

	Notes	31st March, 2023	31st March, 2022
Assets			
Non-current Assets			
Property, plant and equipment (net)	3.1	4901.85	3495.15
Right-of-use assets	3.2	23965.74	24730.57
Other Intangible assets	3.3	17.43	6.24
Financial assets			
Other financial assets	4.2	2165.19	1913.33
Deferred tax assets (net)	5.1	772.60	646.58
Income tax assets (net)	5.2	2686.90	1753.77
Total - Non-current Assets		34509.71	32545.64
Current assets			
Financial assets			
Short term loans	7.1	25.49	29.03
Trade receivables	7.2	4614.60	3703.55
Cash and cash equivalents	7.3	748.10	1184.97
Other financial assets	7.4	2052.48	2860.53
Other current assets	6	1339.35	520.32
Total - Current Assets		8780.02	8298.39
Total Assets		43289.73	40844.04
Equity and Liabilities			
Equity			
Equity share capital	8	22915.71	652.50
Other equity	9	-16007.76	5915.55
		6907.95	6568.05
Non-current Liabilities			
Financial liabilities			
Lease liability	31	22224.76	21736.10
Borrowings	10.1	2373.93	1706.47
Other financial liabilities	10.4	740.98	558.77
Other Non-current liabilities	11	154.62	200.15
Total - Non-current liabilities		25494.29	24201.49
Current Liabilities			
Financial liabilities			
Lease liability	31	3979.84	4779.73
Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises;	10.1	70.75	10.03
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	10.2	2032.23	2006.37
Other payables	10.3	2763.49	2452.61
Other financial liabilities	10.4	940.05	66.24
Net employment defined benefit liabilities	12	223.38	156.24
Other current liabilities	11	877.76	603.27
Total - Current Liabilities		10887.49	10074.50
Total Equity and Liabilities		43289.73	40844.04
Significant accounting policies	1-2		
Notes to the financial statements	3-35		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For C C Dangi & Associates
Chartered Accountants
ICAI firm registration No.102105W




Ashish C. Dangi
Partner
Membership No.122926

Place: Mumbai
Date: 26th May, 2023

For and on behalf of Board of Directors of
Allcargo Supply Chain Private Limited
CIN:U45200MH2008PTC179557





Adarsh Hegde
Director
DIN No: 00035040

Mr Ravi Jakhar
Director
DIN No: 02188690

Sadik Jafar Thange
Company Secretary
M No. A56898

Place: Mumbai
Date: 26th May, 2023



Allcargo Supply Chain Private Limited
(Formerly known as Avvashya Supply Chain Private Limited)
Statement of Profit and Loss for the year ended 31st March, 2023
(Amount in Lakhs)

	Notes	31st March, 2023	31st March, 2022
Continuing Operations			
Income			
Revenue from operations	13	34096.14	34429.36
Other income	14	90.02	36.25
Finance income	15	249.92	187.21
Total income		34436.08	34652.81
Expenses			
Cost of services rendered	16	18063.60	17915.64
Employee benefits expense	17	2797.06	2027.45
Finance costs	18	2569.24	1209.19
Depreciation and amortisation expenses	19	7889.09	10040.67
Other expenses	20	1156.30	937.65
Total expenses		32475.30	32130.59
Profit before tax		1960.78	2522.22
Tax expense:			
Current tax		649.94	909.27
Adjustment of tax relating to earlier periods		12.41	0.23
Deferred tax (credit)/charge		-126.02	-221.98
Total tax expense		536.33	687.53
Profit for the year (A)		1424.45	1834.69
Other Comprehensive Income:			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement gain/(losses) on defined benefit plans		-13.82	12.52
Other Comprehensive Income for the year, net of tax (B)		-13.82	12.52
Total Comprehensive income for the year, net of tax (A) + (B)		1410.64	1847.21
Earnings per equity share (nominal value of Rs.10 each)			
Basic	22	1	28
Diluted	22	6	1
Significant accounting policies	1-2		
Notes to the financial statements	3-35		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For C C Dangi & Associates
Chartered Accountants
ICAI firm registration No.102105W




Ashish C. Dangi
Partner
Membership No.122926

For and on behalf of Board of Directors of
Allcargo Supply Chain Private Limited
CIN:U45200MH2008PTC179557



Adarsh Hegde
Director
DIN No: 00035040



Mr Ravi Jakhar
Director
DIN No: 02188690



Satik Jafar Thange
Company Secretary
M No. A56898

Place: Mumbai
Date: 26th May, 2023

Place: Mumbai
Date: 26th May, 2023

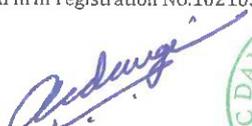


Allcargo Supply Chain Private Limited
(Formerly known as Avvashya Supply Chain Private Limited)
Statement of Cash Flows for the period ended 31st March, 2023
(Amount in Lakhs)

	31st March, 2023	31st March, 2022
Operating activities		
Profit Before Tax	1960.78	2522.22
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation & Amortisation	7889.09	10040.67
Sundry Balances written/back	-18.61	-21.12
Bad Debts	19.82	0.00
Allowances for Impairment of Trade receivable	-13.72	4.54
Finance Costs	2569.24	1209.19
Finance Income	-200.20	-187.21
Loss/(Gain) on disposal of property, plant and equipment	11.59	24.44
Unrealised Foreign Exchange (gain) / loss (net)	-0.38	0.25
Remeasurement Gains on Defined Benefit Plan	-1.30	12.52
Working Capital Adjustments:		
Decrease / (increase) in Trade Receivables	-916.77	1140.24
Decrease / (increase) in Long Term and Short Term Loans and Advances	22.15	25.35
(Increase) in Unbilled Revenue	808.05	-578.24
Decrease / (Increase) in Other Current and Non Current Assets	-1127.07	-140.95
(Decrease)/ Increase in Trade Payables, Other Current and Non Current Liabilities	-7670.66	-10286.69
(Decrease)/ Increase in Provisions	310.88	579.40
Cash generated from operating activities	3642.88	4344.60
Income tax paid (including TDS) (net)	-1595.48	-2206.96
Net cash flows from operating activities (A)	2047.40	2137.64
Investing activities		
Proceeds from sale of Property, Plant and Equipment	27.14	285.57
Purchase of Property, Plant and Equipment	-2189.24	-1157.13
Maturity proceeds of Fixed deposits	297.00	0.00
Stamp Duty & Registration	-230.38	0.00
Interest Income Received	9.11	14.96
Net cash flows from / (used in) investing activities (B)	-2086.37	-856.60
Financing activities		
Proceeds from Short Term Borrowings	0.00	0.00
Dividend and DDT Paid	-187.97	-261.89
Proceeds / (Repayment) from Long Term Borrowings	-47.24	-385.00
Finance Costs	-162.69	-579.95
Net cash flows from / (used in) financing activities (C)	-397.89	-1226.85
Net increase / (decrease) in cash and cash equivalents (A+B+C)	-436.87	54.19
Opening balance of Cash and Cash Equivalents (refer note 7.3)	1184.97	1130.77
Add: Cash Balance coming from business combinations	0.00	0.00
Cash and Cash Equivalents at the end	748.10	1184.97

As per our report of even date attached

For C C Dangi & Associates
Chartered Accountants
ICAI firm registration No.102105W


Ashish C. Dangi
Partner
Membership No.122926



For and on behalf of Board of Directors of
Allcargo Supply Chain Private Limited
CIN:U45200MH2008PTC179557

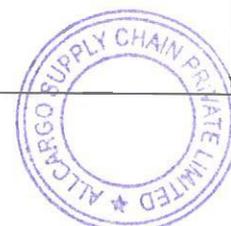

Adarsh Hegde
Director
DIN No: 00035040


Mr Ravi Jakhar
Director
DIN No: 02188690


Saeik Jafar Thange
Company Secretary
M No. A56898

Place: Mumbai
Date: 26th May, 2023

Place: Mumbai
Date: 26th May, 2023



Allcargo Supply Chain Private Limited
(Formerly known as Avvashya Supply Chain Private Limited)
Statement of Changes in Equity for the year ended 31st March, 2023
(Amount in Lakhs)

(A) Equity Share Capital:

	Issued equity share capital	
	No.	Amount
Equity shares of INR 10/- each issued, subscribed and fully paid		
At 1st April, 2021	6,525,000	65,250,000
Issue of share capital / Equity Component	-	-
At 31st March, 2022	6,525,000	65,250,000
Issue of share capital	229,156,113	2,291,561,130
Converted into OCRPS	(6,524,000)	(65,240,000)
At 31st March, 2023	229,157,113	2,291,571,130

(B) Other Equity:

For the year ended 31st March, 2023

Particulars	Share Application Money Pending for Allotment	Capital Reserve (Note 09)	Other Comprehensive Income (Note 09)	Balance in Statement of Profit and Loss (Note 09)	Total Equity
For the year ended 31st March, 2023					
As at 1st April, 2022	22915.61	-16640.56	12.52	-372.02	5915.55
Impact on Reserve on account of Demerger					
A) Issue of Equity	-22915.61	-	-	-	-22915.61
Net Profit for the period	-	-	-	1424.45	1424.45
Cash Dividend on equity shares	-	-	-	-187.97	-187.97
Cost of Equity	-	-	-	-230.38	-230.38
Changes during the year	-	-	-13.82	-	-13.82
Total comprehensive income	0.00	-16640.56	-1.30	634.10	-16007.76
Addition during the year	-	-	0.00	0.00	0.00
As at 31st March, 2023	0.00	-16640.56	-1.30	634.10	-16007.76

For the year ended 31st March, 2022

As at 1st April, 2021	-	-	-	-1944.82	-1944.82
Impact on Reserve on account of Demerger					
A) Reserves arising on transfer of opening Assets and Lia	-	-16640.56	-	-	-16640.56
B) Issue of Equity	22915.61	-	-	-	22915.61
Net Profit for the period	-	-	-	1834.69	1834.69
Cash Dividend on equity shares	-	-	-	-261.89	-261.89
Changes during the year	-	-	12.52	-	12.52
Total comprehensive income	22915.61	-16640.56	12.52	-372.02	5915.55
As at 31st March, 2022	22915.61	-16640.56	12.52	-372.02	5915.55

For C C Dangi & Associates

Chartered Accountants

CAI firm registration No. 102105W

Shish C. Dangi
 Partner
 Membership No. 122926



For and on behalf of Board of Directors of

Allcargo Supply Chain Private Limited

CIN:U45200MH2008PTC179557

Adarsh Hegde
 Director
 DIN No: 00035040

Mr Ravi Jakhar
 Director
 DIN No: 02188690

Sadik Jafar Thange
 Company Secretary
 M No. A56898

Place: Mumbai
 Date: 26th May, 2023

Place: Mumbai
 Date: 26th May, 2023



3.1. Property, Plant and Equipment

Description	Leasehold Improvements	Plant and machinery	Vehicles	Office Equipment	Computers	Furniture & fixtures	Total
Gross Block							
Balance as at 1st April, 2021	-	-	-	-	-	-	-
Transferred pursuant to demerger scheme	799.87	3032.74	2.80	315.21	355.01	210.12	4715.75
Additions	375.37	603.52	-	37.84	133.78	7.72	1158.24
Disposals	-13.46	-411.09	-	-22.21	-22.83	-4.95	-474.54
Balance as at 31st March, 2022	1161.78	3225.17	2.80	330.84	465.96	212.89	5399.45
Additions	432.43	1240.92	-	150.86	242.52	109.01	2175.74
Disposals	-3.84	-51.56	-	-	-	-0.05	-55.45
Balance as at 31st March, 2023	1590.37	4414.53	2.80	481.70	708.48	321.86	7519.75
Depreciation							
Balance as at 1st April, 2021	-	-	-	-	-	-	-
Transferred pursuant to demerger scheme	397.24	651.84	2.49	127.92	231.96	65.68	1477.13
Depreciation for the year	206.88	217.76	0.32	61.94	85.03	20.00	591.93
Disposals	-13.46	-111.30	-	-20.40	-17.46	-2.14	-164.76
Balance as at 31st March, 2022	590.66	758.31	2.80	169.46	299.53	83.54	1904.30
Depreciation for the year	248.11	272.02	-	66.81	123.47	19.98	730.39
Disposals	-3.46	-13.25	-	-	-	-0.01	-16.73
Balance as at 31st March, 2023	835.31	1017.08	2.80	236.27	422.99	103.51	2617.96
Net Block							
As at 31st March, 2022	571.12	2466.86	0.00	161.39	166.44	129.35	3495.15
As at 31st March, 2023	755.06	3397.52	0.00	245.43	285.48	218.35	4901.85



Allcargo Supply Chain Private Limited
(Formerly known as Avvashya Supply Chain Private Limited)
Notes to the standalone financial statements as at and for the year ended 31 March 2023
(Amount in Lakhs)

3.2 Right-of-use Assets (ROU)

Particulars		
	Building/Warehouse	TOTAL
Balance as at 1st April, 2021	-	-
Transferred pursuant to demerger scheme	27719.56	27719.56
Additional	6456.60	6456.60
Deletions	-	-
Depreciation during the year	-9445.59	-9445.59
Closing Balances as on 31.3.2022	24730.57	24730.57
Balances as on 1.4.2022	24730.57	24730.57
Additional	6391.56	6391.56
Deletions	-	-
Depreciation during the year	-7156.38	-7156.38
Closing Balances as on 31.3.2023	23965.74	23965.74



Allcargo Supply Chain Private Limited
(Formerly known as Avvashya Supply Chain Private Limited)
Notes to the financial statements as at and for the year ended 31st March, 2023
(Amount in Lakhs)

3.3. Intangible Assets

Description	Computer software	Total
Gross Block		
Balance as at 1st April, 2021	5.81	5.81
Transferred pursuant to demerger scheme	84.47	84.47
Additions	-	-
Disposals	-41.60	-41.60
Balance as at 31st March, 2022	48.68	48.68
Additions	13.50	13.50
Disposals	-	-
Balance as at 31st March, 2023	62.18	62.18
Amortisation		
Balance as at 1st April, 2021	5.81	5.81
Transferred pursuant to demerger scheme	69.65	69.65
Amortisation	-33.02	-33.02
Balance as at 31st March, 2022	42.43	42.43
Amortisation	2.32	2.32
Balance as at 31st March, 2023	44.75	44.75
Net book value		
At 31st March, 2022	6.24	6.24
At 31st March, 2023	17.43	17.43

3.3. Intangible Assets under Development for the year ended as on March 31,2023 is as follows:

Particulars	Amount in CWIP for period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total Intangible Assets Under Development	-	-	-	-	-

3.3. Intangible Assets under Development for the year ended as on March 31,2022 is as follows:

Particulars	Amount in CWIP for period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	1.11	-	-	-	1.11
Projects temporarily suspended	-	-	-	-	-
Total Intangible Assets Under Development	1.11	-	-	-	1.11



Allcargo Supply Chain Private Limited
(Formerly known as Avvashya Supply Chain Private Limited)
Notes to the financial statements as at and for the year ended 31st March, 2023
(Amount in Lakhs)

5. Income tax

5.1 Deferred Tax:

Deferred tax relates to the following:

	Balance Sheet		Profit and Loss	
	31st March, 23	31st March, 22	31st March, 23	31st March, 22
Accelerated Depreciation	-6048.18	-6235.86	-187.68	-765.32
Provision for Doubtfull Debt	8.38	5.11	-3.26	-1.40
Provision for employee Benefit	36.98	27.47	-9.52	-2.84
Ind As Adjustment:				
Rent Equalisation	-	-	-	-
Expected Credit Losses	-6.33	-2.88	3.45	0.26
Security Deposit	6781.75	6852.73	70.98	547.32
Deferred tax expense/(income)	0.00	0.00	-126.02	-221.98
Deferred tax assets/(liabilities)	772.60	646.58	0.00	0.00
Net deferred tax assets/(liabilities)	772.60	646.58	-126.02	-221.98

Reflected in the balance sheet as follows:

	31st March, 23	31st March, 22
Deferred Tax Assets		
Continuing operations	772.60	646.58
Deferred tax assets / (liabilities) net	772.60	646.58

Reconciliation of Deferred Tax Liabilities (net):

	31st March, 23	31st March, 22
Opening balance as of 1st April	646.58	424.60
Tax income/(expense) during the period recognised in profit or loss	126.02	221.98
Closing balance as at 31st March	772.60	646.58

5.2 Income tax Assets (net)

Particulars	31st March, 23	31st March, 22
Advance tax recoverable (net of provision for taxes)	2686.90	1753.77
Others	0.00	0.00
	2686.90	1753.77

The major components of income tax expense for the years ended 31st March, 2023 and 31st March, 2022 are:

Statement of profit and loss:

Profit or loss section	31st March, 23	31st March, 22
Current income tax:		
Current income tax charge	649.94	909.27
Adjustments in respect of current income tax of previous year	12.41	0.23
Deferred tax:		
Relating to origination and reversal of temporary differences	-126.02	-221.98
Income tax expense reported in the statement of profit or loss	536.33	687.53

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31st March, 2022 & 31st March, 2023:

Accounting profit before tax from continuing operations	1946.96	2534.74
Accounting profit before income tax	1946.96	2534.74
At India's statutory income tax rate of 25.168% (31st March, 2022: 25.168%)	490.01	637.94
Computed tax expenses		
Reversal of prior year temorary difference		
Expenses not allowed for tax purpose	29.61	49.58
Tax Effect of earlier years	16.69	0.00
Other	0.02	0.01
At the effective income tax rate of 27.55% (31st March, 2022: 27.12%)	536.33	687.53
Income tax expense reported in the statement of profit and loss	536.33	687.53



Allcargo Supply Chain Private Limited
(Formerly known as Avvashya Supply Chain Private Limited)
Notes to the financial statements as at and for the year ended 31st March, 2023
(Amount in Lakhs)

4 Financial Assets

4.1 Long term loans

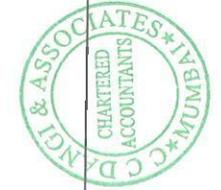
	Non-Current portion		Current portion	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
<u>Unsecured, considered good</u>	-	-	-	29.03
To parties other than related parties	-	-	25.49	-
Loans and advances to employees	-	-	25.49	29.03
Loan to Others	-	-	-	-
Total Loans	-	-	25.49	29.03

4.2 Other Financial Assets

	Non-current portion		Current portion	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
To parties other than related parties				
Security Deposits				
Unsecured, considered good	1225.99	842.04	2.82	3.10
Less: Provision for doubtful deposits	1225.99	842.04	2.82	3.10
	1225.99	842.04	2.82	3.10
Unsecured, considered good				
Non-current bank balance (refer note 7.3)	-	297.00	-	-
Unbilled revenue	-	-	2049.66	1376.72
Interest accrued on fixed deposits	-	-	-	8.56
	-	297.00	2049.66	1385.27
	1225.99	1139.04	2052.48	1388.37
To Related Parties				
Security deposits	939.20	774.29	-	-
Unsecured, considered good	939.20	774.29	-	-
Total Other long-term financial assets	2165.19	1913.33	2052.48	1388.37

6

	Non-current		Current	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Prepaid expenses	-	-	170.21	146.78
Balance with Customs and Ports	-	-	-	-
Advances for supply of services	-	-	198.58	6.89
CENVAT receivables	-	-	970.56	366.65
	-	-	1339.35	520.32



Allcargo Supply Chain Private Limited
(Formerly known as Avvashya Supply Chain Private Limited)
Notes to the financial statements as at and for the year ended 31st March, 2023
(Amount in Lakhs)

7 Financial Assets

7.1 Short Term Loans

	31st March, 2023	31st March, 2022
Current portion of long-term loans (refer note 4.1)		
To parties other than related parties	25.49	29.03
Loans & advances to employees	<u>25.49</u>	<u>29.03</u>
Total Loans		

7.2 Trade Receivables

	31st March, 2023	31st March, 2022
Trade receivables	4338.30	3671.45
Receivables from associates and joint ventures	218.95	-30.69
Receivables from other related parties	<u>57.36</u>	<u>62.79</u>
Total trade receivables	4614.60	3703.55
Trade Receivables		
Secured, considered good	4614.60	3703.55
considered good	8.13	8.87
Doubtful	<u>4622.73</u>	<u>3712.42</u>
Allowances For Impairment of Trade receivable	-8.13	-8.87
Total Trade receivables	4614.60	3703.55
	<u>4614.60</u>	<u>3703.55</u>

The Trade Receivable Ageing Schedule for the years ended as on March 31, 2023 is as follows:

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables - considered good	1777.16	2682.99	70.36	55.98	0.50	2.45	4589.44
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	1.14	2.95	0.77	4.86
Undisputed Trade receivable - credit impaired	-	-	10.97	13.71	-	-	24.68
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	3.75	-	3.75
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Less: Allowance for credit loss	1777.16	2682.99	81.33	70.83	7.20	3.22	4622.73
	0.00	-	-	-	-	-	8.13
Total Trade Receivables	1777.16	2682.99	81.33	70.83	7.20	3.22	4614.60



Allcargo Supply Chain Private Limited
(Formerly known as Avvashya Supply Chain Private Limited)
Notes to the financial statements as at and for the year ended 31st March, 2023
(Amount in Lakhs)

The Trade Receivable Ageing Schedule for the years ended as on March 31, 2022 is as follows:

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables - considered good	2106.62	1500.70	84.78	-	-	-	3692.11
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	2.48	10.94	3.12	0.02	16.57
Undisputed Trade receivable - credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	3.75	-	-	3.75
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Less: Allowance for credit loss	2106.62	1500.70	87.27	14.69	3.12	0.02	3712.42
Total Trade Receivables	2106.62	1500.70	87.27	14.69	3.12	0.02	3703.55

7.3 Cash and Bank balances

Cash and cash equivalents

Balances with banks
- On current accounts
Cash on hand

Other bank balances

- Deposit with original maturity of more than 12 months
- Margin money deposit under JET

Amount disclosed under non-current assets (refer note 4.2)

	31st March, 2023	31st March, 2022
Balances with banks	748.10	1184.97
- On current accounts	748.10	1184.97
Cash on hand	-	-
Other bank balances	-	172.00
- Deposit with original maturity of more than 12 months	-	125.00
- Margin money deposit under JET	-	297.00
Amount disclosed under non-current assets (refer note 4.2)	-	-297.00
Total	748.10	1184.97

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Balances with banks:
- On current accounts
Cash on hand



Allcargo Supply Chain Private Limited
(Formerly known as Avvashya Supply Chain Private Limited)
Notes to the financial statements as at and for the year ended 31st March, 2023
(Amount in Lakhs)

Particulars	1-Apr-22		31-Mar-23	
	Cashflows	Others ^a	Cashflows	Others ^a
Interest on Borrowing	-	-	-150.32	-
Non Current Borrowing	386.00	-	-47.24	388.70
Dividends Payable inclusive of Tax	-	-	-187.97	-
Equity converted into OCRPS	-	-	-	-
Loan converted into OCRPS	1320.47	652.40	-12.36	652.40
Total liabilities from financing activities	1706.47	652.40	-397.89	1332.83
2373.93				

Particulars	1-Apr-21		31-Mar-22	
	Cashflows	Others ^a	Cashflows	Others ^a
Interest on Borrowing	-	-	-579.95	-
Non Current Borrowing	2091.47	-	-385.00	1706.47
Dividends Payable inclusive of Tax	-	-	-261.89	-
Total liabilities from financing activities	2091.47	-	-1226.85	1706.47

7.4 Other Financial Assets

	31st March, 2023	31st March, 2022
Current portion of other long-term financial assets (refer note 4.2)		
To parties other than related parties	2052.48	1388.37
Loans & Advances to Associates / Joint Ventures	-	1472.16
Total Other Financial assets	2052.48	2860.53

8 Share Capital

At 1st April, 2021
Increase / (decrease) during the year
At 31st March, 2022
Issue of share capital
At 31st March, 2023

	Equity shares	
	Nos.	Amount
	7,500,000	75,000,000
	7,500,000	75,000,000
	242,500,000	2,425,000,000
	250,000,000	2,500,000,000

Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



Allcargo Supply Chain Private Limited
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Issued equity capital:

Issued, subscribed and fully paid-up:		Issued equity share capital	
		Nos.	Amount
At 1st April, 2021		6,525,000	65,250,000
Changes during the period		-	-
Equity Component of Equity Shares		-	-
At 31st March, 2022		6,525,000	65,250,000
Issue of share capital		229,157,113	2,291,571,130
Converted into OCRPS		(6,524,000)	(65,240,000)
At 31st March, 2023		229,157,113	2,291,571,130
Total Equity Share Capital		2,291,571,130	2,291,571,130

(f) Details of shareholders holding more than 5% shares of a class of shares

Name of shareholders	As at 31st March, 2023		As at 31st March, 2022	
	No	% holding in the class	No	% holding in the class
Equity shares of Rs.10 each fully paid Allcargo Logistics Ltd JKS Finance Limited	140,087,975	61.13%	6,525,000	100.00%
	79,001,563	34.47%	-	0.00%

Details of Promoter Shareholding

At 31st March, 2023

S.N	Particulars	Name of Promoter	No. of shares at the beginning of the year	Change during the Year	No. of Shares at the end of the Year	% of Total Shares	% of Change during the Year
1	Equity shares of INR 10 each fully paid	Allcargo Logistics Limited	6525000	140066975	146611975	63.98%	2146.93%
2	Converted into OCRPS	Allcargo Logistics Limited	0	-6524000	-6524000	-2.85%	-100.00%
3	Equity shares of INR 10 each fully paid	Mr. Naresh Kumar Sharma	0	1443750	1443750	0.63%	100.00%
4	Equity shares of INR 10 each fully paid	Mr. Satish Sharma	0	1750000	1750000	0.76%	100.00%
5	Equity shares of INR 10 each fully paid	JKS Finance Limited	0	79001563	79001563	34.47%	100.00%
6	Equity shares of INR 10 each fully paid	JKS India Holdings Private Limited	0	6426350	6426350	2.80%	100.00%
		JKS Abasan LLP	0	447475	447475	0.20%	100.00%
			6525000	222632113	229157113	100.00%	

At 31st March, 2022

S.N	Particulars	Name of Promoter	No. of shares at the beginning of the year	Change during the Year	No. of Shares at the end of the Year	% of Total Shares	% of Change during the Year
1	Equity shares of INR 10 each fully paid	Allcargo Logistics Limited	6525000	0	6525000	100.00%	0.00%
			6525000	0	6525000	100.00%	0.00%



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	31st March, 2023	31st March, 2022
Surplus in Statement of profit & loss account		
At 1st April, 2021	-1,944.82	
Add: Profit during the year	1834.69	
Less : Appropriations	-261.89	
Cash dividends	-372.02	
At 31st March, 2022	1424.45	
Add: Profit during the year	-230.38	
Less : Appropriations	-187.97	
Cost of Equity	-418.34	
Total appropriations	634.10	
Net Surplus in the statement of profit & loss account	(VI)	
Total Reserves and Surplus	-1,6007.76	

Financial Liabilities

	31st March, 2023	31st March, 2022
10.1 Borrowings		
Non-current Borrowings		
<i>Borrowings (secured)</i>		
Term Loan From Banks	-	385.00
Other Loans (Unsecured)	388.70	1321.47
Loan from Related Party	7.52%	
Compound Financial Instruments		
Optionally Convertible Redeemable Preference Shares	1985.23	-
Total non-current borrowings	2373.93	1706.47
<p>The company have allotted 19,728,682 Optionally Convertible Redeemable Preference Shares ("OCRPS") of Rs. 10/- each aggregating to 197,286,820/- (Rupees Nineteen Crore Seventy Two Laks Eighty Six Thousand Eight Hundred and Twenty Only) to Alcargo Logistics Limited, out of which 13,204,682 OCRPS of Rs.10/- each aggregating to Rs. 132,046,820/- (Rupees Thirteen Crore Twenty Lakhs Forty Six Thousand Eight Hundred and Twenty Only) were allotted pursuant to conversion of loan and 6,524,000/- (Rupee Six Crore Fifty Two Lakhs and Forty Thousand Only) were allotted pursuant to the conversion of Equity Shares into OCRPS in accordance with the scheme of Arrangement and Demerger between Avvashya CCI Logistics Private Limited and Alcargo Supply Chain Private Limited (Formerly known as Avvashya Supply Chain Private Limited) which was duly sanctioned by the Hon'ble National Company Law Tribunal on January 27, 2023.</p>		
Aggregate secured loans	-	385.00
Aggregate unsecured loans	2373.93	1321.47



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10.2 Trade Payables

	31st March, 2023	31st March, 2022
Trade Payables		
a) Total outstanding dues of micro enterprises and small enterprises; (Refer note 25(1) a)	70.75	10.03
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1529.75	968.07
Trade payables to related parties (Refer note 26 B)	502.48	1038.31
	2102.97	2016.41

Trade Payable Ageing Schedule for the years ended as on March 31, 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	-	35.67	35.07	-	70.75
Others	1718.30	270.20	43.72	-	2032.23
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Total Trade Payables	1718.30	305.87	78.80	-	2102.97

Trade Payable Ageing Schedule for the years ended as on March 31, 2022 is as follows:

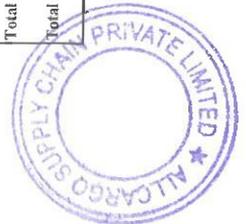
Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	5.81	4.22	-	-	10.03
Others	1629.42	359.78	8.81	8.36	2006.37
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
Total Trade Payables	1635.23	364.01	8.81	8.36	2016.41

10.3 Other Payables

	31st March, 2023	31st March, 2022
Provision for Expenses	2763.49	2452.61
	2763.49	2452.61

10.4 Other Financial Liabilities

	31st March, 2023	Non-current portion 31st March, 2022	Current portion 31st March, 2022
Other financial liabilities at amortised cost			
Security Deposits Received			
To Related Parties:			
Loans / Advances to associates/Joint Venture	740.98	558.77	-
Interest accrued and due on borrowings	-	-	940.05
Total other financial liabilities at amortised cost	740.98	558.77	940.05
Total other financial liabilities	740.98	558.77	940.05
			66.24
			66.24
			66.24



Allcargo Supply Chain Private Limited
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11 Other Liabilities

	Non-current portion		Current portion	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Employee benefits payable	-	-	120.35	94.37
<u>Statutory Dues Payable</u>	-	-	-	-
TDS Payable	-	-	133.71	161.42
Professional Tax Payable	-	-	0.63	0.53
Provident Fund Payable	-	-	214.86	100.37
ESIC Payable	-	-	32.70	18.89
Advances Received From Customers	-	-	0.01	0.02
Advances Received From Related Parties	-	-	308.15	152.16
Deferred Lease	154.62	200.15	27.88	19.59
Book Overdraft	-	-	39.43	34.31
Others	-	-	-	21.36
	-	-	0.05	0.25
	154.62	200.15	877.76	603.27

12 Net Employment Defined Benefit Liabilities

	Long-term		Short-term	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Provision for Gratuity	-	-	76.42	47.11
Provision for Compensated absences	-	-	146.95	109.13
	-	-	223.38	156.24



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(Amount in Lakhs)

13 Revenue from Operations

	31st March, 2023	31st March, 2022
Sale of services		
Contract logistics income	34096.14	34429.36
	<u>34096.14</u>	<u>34429.36</u>
Total Revenue	<u>34096.14</u>	<u>34429.36</u>

14 Other Income

	31st March, 2023	31st March, 2022
Other non-operating income		
Net gain on account of foreign exchange fluctuations	0.38	-0.25
Misc. Income	0.90	12.97
Sundry Balance Written Back	18.61	21.12
Other Support Services	70.12	2.41
	<u>90.02</u>	<u>36.25</u>

15 Finance Income

	31st March, 2023	31st March, 2022
Interest income on		
- Fixed deposits with banks	9.11	14.89
- Loan given to other parties	-	0.07
- Income Tax Refund	49.72	-
- Others	191.09	172.25
	<u>249.92</u>	<u>187.21</u>

16 Cost of Services Rendered

	31st March, 2023	31st March, 2022
Container freight stations expenses		
Contract logistics expenses	18063.60	17915.64
	<u>18063.60</u>	<u>17915.64</u>
	<u>18063.60</u>	<u>17915.64</u>

17 Employee Benefits Expense

	31st March, 2023	31st March, 2022
Salaries, wages and bonus	2230.53	1601.91
Contributions to provident and other funds	143.19	98.29
Staff welfare expenses	310.01	256.46
Compensated absences	79.59	35.83
Gratuity expense	33.75	34.96
	<u>2797.06</u>	<u>2027.45</u>



Allcargo Supply Chain Private Limited
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18 Finance Costs

	31st March, 2023	31st March, 2022
Cash credit / Bank Overdraft	65.73	-
Working capital term loan	96.96	157.27
Others	2406.55	1050.31
Interest on advance	-	1.61
	<u>2569.24</u>	<u>1209.19</u>

19 Depreciation and Amortisation

	31st March, 2023	31st March, 2022
Depreciation of property, plant and equipment	730.39	591.93
Depreciation on Right-of-use assets	7156.38	9445.59
Amortisation of intangible assets	2.32	3.15
	<u>7889.09</u>	<u>10040.67</u>

20 Other Expenses

	31st March, 2023	31st March, 2022
Rent	49.50	49.50
Legal And Professional Fees	146.25	234.37
Travelling Expenses	258.84	143.48
Repairs To Building	-	0.09
Repairs Other Than Building	185.34	146.83
Rates And Taxes	77.97	27.43
Printing And Stationery	92.45	56.42
Business Promotion	4.06	3.13
Communication Charges	76.99	70.62
Membership And Subscription	10.76	0.12
Conference Expenses	0.16	-
Electricity Charges	4.98	54.12
Impairment Loss Recognised / (Reversed) Under Expected Credit Loss Model	-13.72	4.54
Payment To Auditors (Refer Note Below)	5.70	10.33
CSR Expense (Refer Note 34)	41.22	34.93
Bank Charges	0.25	0.03
Bad Debts/Advances Written Off	19.82	-
Provision For Bad Debts	12.97	-
Contract Staff Expenses	12.25	25.72
Loss On Sale Of Assets/Assets Written Off	11.59	24.44
Miscellaneous Expenses	158.93	51.55
	<u>1156.30</u>	<u>937.65</u>
Payments to the Auditor:		
As auditor		
Audit fee	2.50	2.90
Tax audit fee	1.65	0.83
Limited Review	1.35	-
Transfer Pricing audit	0.20	0.28
GST audit	-	5.50
In other capacity:		
Taxation matters	-	0.83
	<u>5.70</u>	<u>10.33</u>



Allcargo Supply Chain Private Limited
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Note 21 : Ratios

The ratios for the years ended March 31,2023 and March 31,2022 are as follows::

Ratio	Numerator		Denominator		Variance	Remarks
	Current Assets	Current Liabilities	March 31,2023	March 31,2022		
Current ratio		Current Liabilities	0.81	0.82	-2.10%	
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.34	0.26	32.27%	Increase in Debt Equity is pursuant to demerger scheme, due to which the borrowings of the existing entity was merged with demerged entity (ASCPL) which is not in proportion to the variance in equity
Debt Service Coverage ratio	PAT + Non-cash operating expenses	Interest & Lease Payments + Principal Repayments	2.41	4.49	-46.38%	Increase in Debt Service Coverage ratio is on account of increase in debt pursuant to demerger with not much variance in PAT
Return on Equity ratio	PAT – Preference Dividend	Average Shareholder's Equity	0.21	0.56	-62.78%	Variance in ROE is pursuant to demerger scheme, due to which total Equity base has increased. Also, the profit for the year has reduced due to increased employee, finance and depreciation cost
Inventory Turnover ratio	Cost of goods sold	Average Inventory	NA	NA	NA	
Trade Receivable Turnover Ratio (In days)	Net Sales	Average Trade Receivable	44.52	42.41	4.99%	
Trade Payable Turnover Ratio (In days)	Net Purchases	Average Trade Payables	21.25	20.54	3.44%	
Net Capital Turnover Ratio	Net Sales	Current Assets - Current Liabilities	-16.18	-19.38	-16.54%	Variance in ratio is primarily due to increase in Trade receivables on account of delayed collections



Allcargo Supply Chain Private Limited
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Note 21 : Ratios

Net Profit ratio	Net Profit	Net Sales	0.041	0.054	-22.89%	Variance is due to increase in head count for future projects and increase in INDAS interest expense on lease obligation and depreciation thereof
Return on Capital Employed	Earnings before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Investment	0.49	0.46	7.21%	Variance is due to increase in head count for future projects and increase in INDAS interest expense on lease obligation and depreciation thereof
Return on Investment	Interest (Finance Income)		NA	NA	NA	



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22. Earnings Per Share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations:

	31 March 2023	31 March 2022
Net profit after tax attributable to equity shareholders	142,445,444	183,469,361
Weighted average number of equity shares for calculating basic EPS	229,157,113	6,525,000
* Basic EPS in. Rs.	1	28
Pursuant to the scheme of demerger approved by NCLT, 229156113 equity shares of Rs. 10 each face value are issuable to the shareholders of Avvashya CCI Logisites Private Limited as per 175:2 share exchange ratio as consideration for the transfer of assets and liabilities to Allcargo Supply Chain Private Limited.		
Net profit after tax attributable to equity shareholders	142,445,444	183,469,361
Shares Issued on		
Prior to share issue on account of demerger - 1st Apr,2022 to 28th Feb,2023	5,970,822	229,157,113
Post Share issue pursuant to demerger - 1st Mar,2023 to 31st Mar,2023	19,462,659	-
Weighted average number of equity shares for calculating diluted EPS	25,433,481	229,157,113
*Diluted EPS in. Rs.	6	1



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23 Net Employment Defined Benefit Liabilities

(a) Defined Contributions Plans

For the Company an amount of INR.22,277,893/- (31st March, 2022: INR.13,325,494/-) contributed to provident funds, ESIC and other funds (refer note 17) is recognised by as an expense and included in "Contribution to Provident & Other Funds" & "Gratuity expense" under "Employee benefits expense" in the Statement of Profit and Loss.

(b) Defined Benefit Plans

As per the Payment of Gratuity Act, 1972, the Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on resignation or retirement at 15 days salary (last drawn salary) for each completed year of service

The following table sets out the funded as well as unfunded status of the retirement benefit plans and the amounts recognised in Financial statements: -

	31st March, 2023	31st March, 2022
I Change in the defined benefit obligation		
Liability at the beginning of the year	88.18	79.45
Interest cost	6.32	5.36
Current service cost	30.39	15.79
Benefits paid directly by employer	-16.22	-17.75
Acquisition / Divestiture	-2.03	1.40
Actuarial (Gain) / Loss - Financial Assumptions	-4.77	-5.52
Actuarial (Gain) / Loss - Experience	18.82	9.44
Liability at the end of the year*	120.69	88.18
II Amount recognised in the balance sheet		
Liability at the end of the year	120.69	88.18
Fair value of plan assets at the end of the year	44.26	41.07
Net Assets/(liabilities) recognised in the balance sheet	-76.42	-47.11
III Expense recognised in the Statement of Profit and Loss		
Current service cost	30.39	15.79
Interest cost	3.36	1.74
Total expenses recognised in the Statement of Profit and Loss	33.75	17.53
IV Remeasurement Effects Recognized in Other Comprehensive Income (OCI)		
a. Actuarial (Gain) / Loss due to Demographic Assumption changes in DBO	-	-
b. Actuarial (Gain) / Loss due to Financial Assumption changes in DBO	-4.77	-5.52
c. Actuarial (Gain) / Loss due to Experience on DBO	18.82	9.44
d. Return on Plan Assets (Greater) / Less than Discount rate	-0.23	15.85
Total Actuarial (Gain)/Loss included in OCI	13.82	19.77
V Total Cost Recognised in Comprehensive Income		
Cost Recognised in P&L	33.75	17.53
Remeasurements Effects Recognised in OCI	13.82	19.77
Total Cost Recognised in Comprehensive Income	47.56	37.30
VI Balance sheet reconciliation		
Opening net (Asset) / Liability	47.11	26.15
Expenses Recognized in Statement of Profit or Loss	33.75	17.53
Expenses Recognized in OCI	13.82	19.77
Net Liability /(Asset) Transfer In	-2.03	1.40
Employers contribution paid		
Direct benefit payment by Employer	-16.22	-17.75
(Asset) /Liability recognised in the balance sheet	76.42	47.11



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23 Net Employment Defined Benefit Liabilities

VII Change in the Fair Value of Plan Assets		
Fair Value of Plan Assets at the beginning of the year	41.07	53.29
Expected Return on Plan Assets, Excluding Interest Income	2.97	3.62
Actuarial gain /(loss) on Plan Assets	0.23	-15.85
Fair Value of Plan Assets at the end of the year	<u>44.26</u>	<u>41.07</u>
VIII Actual return on Plan Assets:		
Expected Return on Plan Assets	2.97	3.62
Actuarial gain /(loss) on Plan Assets	0.23	-15.85
Actual Return on Plan Assets	<u>3.19</u>	<u>-12.22</u>
IX Investment details of Plan Assets:		
Insurer Managed Funds & others	44.26	41.07
Total Plan Assets	<u>44.26</u>	<u>41.07</u>
Maturity profile of defined benefit obligation:		
Particulars	<u>31st March, 2023</u>	<u>31st March, 2022</u>
Year 1	1.53	1.18
Year 2	2.12	1.44
Year 3	2.48	1.86
Year 4	2.94	2.12
Year 5	7.94	2.42
Year 6 to 10	39.70	23.42
The principal assumptions used in determining gratuity obligations for the plans of the Company are as follows:		
Actuarial assumptions	<u>31st March, 2023</u>	<u>31st March, 2022</u>
Discount rate	7.50%	7.22%
Salary escalation	5% for First year thereafter 8%	5% for First year thereafter 8%
Employee turnover rate:		
Service <= 4 years	15.00%	15.00%
Service > 4 years	2.00%	2.00%
A quantitative sensitivity analysis for the significant assumptions as at March 31, 2023 is as shown below:		
Defined benefit obligation	<u>31st March, 2023</u>	<u>31st March, 2022</u>
Delta effect of +1% change in the rate of discounting	105.50	76.65
Delta effect of -1% change in the rate of discounting	138.94	102.07
Delta effect of +1% change in the rate of salary increase	138.99	101.19
Delta effect of -1% change in the rate of salary increase	104.92	77.11
The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of reporting period.		



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24 (I) Contingent Liabilities		31st March, 2023	31st March, 2022
	Bank guarantees	10.00	181.00
		10.00	181.00

24 (II) a. Dues to Micro and Small Suppliers

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from 02 October 2006, certain disclosures are required to be made relating to MSME. On the basis of the information and records available with the Company, the following disclosures are made for the amounts due to the Micro and Small Enterprises. The information given is based on the information available with the Company and has been relied upon by the auditors.

Particulars

	31st March, 2023	31st March, 2022
Principal amount remaining unpaid to any supplier as at the period	70.75	10.03
Interest due thereon	NIL	Nil
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier	NIL	Nil
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 period) but without adding the interest specified under the MSMED.	NIL	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting period	NIL	Nil
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 disallowances as a deductible expenditure under the MSMED Act, 2006	NIL	Nil

	31st March, 2023	31st March, 2022
b. Earnings in Foreign Currency		
Revenue From Operations		
Contract Logistics Income	54.05	9.49
	54.05	9.49
c. Expenditure in Foreign Currency		
Professional and Consultation Fees		
Others:		
- Other Misc	-	-
	-	-

d. Details On Derivatives Instruments And Unhedged Foreign Currency Exposures:-

The company has no derivative instruments.

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	31st March, 2023		31st March, 2022	
	USD		USD	
Trade Receivables	0.33	28.20	0.13	9.49
	0.33	28.20	0.13	9.49



Allcargo Supply Chain Private Limited
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25 Related Party Transactions

Name of related parties

I. Investing Party (Associates/Joint Ventures)

Allcargo Logistics Limited (Holding Company)

Allcargo Logistics Limited (Hindustan Cargo Ltd merged with Allcargo Logistics Limited w.e.f 1st Apr,2020)

II. Fellow subsidiaries of Investing Party (Associates/Joint Ventures)

Allcargo Logistics Park Pvt.Ltd.

AGL Warehousing Pvt. Ltd.

Comptech Solutions Pvt.Ltd.

Contech Logistics Solution P Ltd

Venkatapura Logistics and Industrial Parks Private Limited

Allcargo Inland Park Private Limited

Allcargo Multimodal Private Limited

Allcargo Logistics & Industrial Park Private Limited

Malur Logistics and Industrial Parks Private Limited

Gati-Kintetsu Express Private Limited

Gati Cargo Express Shanghai Co Ltd

Madanahatti Logistics and Industrial Parks Private Limited

Ecu Worldwide New Zealand Ltd (formerly known as Ecu-Line NZ Ltd.)

Ecu-Line Algeria sarl

Ecu Worldwide (Belgium) (formerly known as Ecu-Line N.V)

Ecu Worldwide (Chile) S.A (formerly known as Ecu-Line Chile S.A)

Ecu Worldwide (Guangzhou) Ltd.(formerly known as Ecu-Line Guangzhou Ltd)

Ecu Worldwide (Colombia) S.A.S.(formerly known as Ecu-Line de Colombia S.A.S)

Ecu Worldwide (Ivory Coast)

Ecu Worldwide (Cz) S.R.O. (Formerly Known As Ecu-Line (Cz) S.R.O).

Ecu - Worldwide - (Ecuador) S.A.(formerly known as Ecu-Line del Ecuador S.A.)

Ecu Worldwide (Germany) Gmbh (Formerly Known As Ecu-Line Germany Gmbh)

Ecu Worldwide (Kenya) Ltd (formerly known as Ecu-Line Kenya Ltd.)

Ecu Worldwide (Mauritius) Ltd.(formerly known as Ecu-Line Mauritius Ltd.)

Ecu Worldwide Mexico (formerly known as Ecu Logistics de Mexico SA de CV)

Ecu Worldwide (Philippines) Inc.(formerly known as Ecu-Line Philippines Inc.)

Ecu Air Canada Inc

Vim Agentuur Sia C/O Ecu Air Latvia

Ecu-Line Saudi Arabia LLC

Ecu - Worldwide (Singapore) Pte. Ltd (formerly known as Ecu-Line Singapore Pte. Ltd.)

ECU Worldwide Lanka (Private) Ltd. (foremerly known as Ecu Line Lanka (Pvt) Ltd.)

Allcargo Logistics Llc- U.A.E

Ecu Worldwide (Thailand) Co. Ltd.(formerly known as Ecu-Line (Thailand) Co. Ltd.)

Ecu-Line Middle East LLC

Ecu Worldwide Usa

Ecu Worldwide Vietnam Co., Ltd.(formerly known as Ecu-Line Vietnam Co.Ltd)

Ecu Worldwide China (Shanghai) Ltd (formerly known as China Consolidation Services Ltd.)



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25 Related Party Transactions

HCL Logistics nv
Ecu World Wide Egypt Ltd (formerly known as Ecu Line Egypt Ltd.)
Ecu Worldwide (Panama) S.A (formerly known as Ecu-Line de Panama SA)
Ecu Worldwide (South Africa) Pty Ltd (formerly known as Ecu-Line South Africa (Pty.) Ltd.)
Ecu Worldwide (UK) Ltd (formerly known as Ecu-Line UK Ltd)
Ecu Worldwide Belgium N.V
Ecu-Line Algeria P/C Biopharm Industrie

III. Key managerial personnel

Mr. Naresh Sharma , Managing Director
Mr. Satish Sharma, Non Executive Director
Mr. Shashikiran Shetty, Non Executive Director
Mr. Adarsh Hegde, Director
Mr. Mohinder Bansal, Non Executive Director (Resigned w.e.f 22nd March 2022)
Mr. Suresh Kumar Ramiah, Non- Executive Director (Appointed w.e.f 29th March 2022)
Mr. Anoop Chauhan COO CL -(appointed w.e.f. 6th February, 2019 & resigned w.e.f 31st March, 2022)
Mr. Nayan Ramesh Sanghavi , Finance Controller (appointed w.e.f 5th April 2021)
Mr. Tripathi Balaji Patro, Finance Controller (Resigned w.e.f 20th May 2021)
Mr. Dhanush Yadav, Company Secretary (Resigned w.e.f 24th May 2021)
Mr. Ravi Ramswaroop Jakhar, Director
Mr. Vaishnav Shashikiran Shetty, Director
Mr. Sadik Jafar Thange, Company Secretary

V. Entities over which key managerial personnel or their relative's exercises significant influence:

CCI Logistics Limited
JKS Abasan LLP
JKS Finance Limited
JKS India Holdings Private Limited
JKS Infrastructure Private Limited
Values Space Realtors Private Limited
Values Spaces Logistics & Industril Park Polivakkam Private Limited
Avash Builders and Infrastructure Private Limited



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(Amount in Lakhs)

25 B. Related Party Transactions

Summary of transactions with related parties:

Particulars	Associates/Joint Ventures		Entities over which key managerial personnel exercises significant influence		Fellow Subsidiaries of Joint Venture		Key Managerial Personnel and their relatives	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	CFS EXPENSES-ALLCARGO LOGISTICS LTD.	93.58	140.62	-	-	-	-	-
RENT EXPENSES-ALLCARGO LOGISTICS LTD.	448.14	426.80	-	-	-	-	-	-
BUSINESS SUPPORT CHARGES RECEIVED-ALLCARGO LOGISTICS LTD.(PURSUANT TO DEMERGER TRANSINDIA REALITY & LOGISTICS PARKS LIMITED)	60.87	71.47	-	-	-	-	-	-
BUSINESS SUPPORT CHARGES PAID-ALLCARGO LOGISTICS LTD.(PURSUANT TO DEMERGER TRANSINDIA REALITY & LOGISTICS PARKS LIMITED)	212.63	115.01	-	-	-	-	-	-
DIVIDEND PAID-ALLCARGO LOGISTICS LTD.	114.91	160.10	-	-	-	-	-	-
DIVIDEND PAID-JKS ABASAN LLP	-	-	0.37	0.51	-	-	-	-
DIVIDEND PAID-JKS FINANCE LTD.	-	-	64.80	90.29	-	-	-	-
DIVIDEND PAID-JKS INDIA HOLDING PVT. LTD.	-	-	5.27	7.34	-	-	-	-
OPERATING INCOME-JKS INFRASTRUCTURE PVT LTD	-	-	89.62	59.06	-	-	-	-
RENTAL EXPENSES-JKS INFRASTRUCTURE PVT LTD	-	-	2232.30	1801.10	-	-	-	-
REIMB EXPENSES CHARGED-JKS INFRASTRUCTURE PVT LTD	-	-	186.58	161.26	-	-	-	-
OPERATING EXPENSES-JKS INFRASTRUCTURE PVT LTD	-	-	171.91	226.79	-	-	-	-
OPERATING EXPENSES-CCI LOGISTICS LTD	-	-	13.42	66.30	-	-	-	-
OPERATING INCOME-CCI LOGISTICS LTD	-	-	24.17	2.53	-	-	-	-
RENT EXPENSES-VENKATAPURA LOGISTICS AND INDUSTRIAL PARKS PVT LTD	-	-	0.00	207.67	-	-	-	-
RENT EXPENSES-MADANAHATTI LOGISTICS AND INDUSTRIAL PARKS PVT LTD	-	-	232.27	221.21	-	-	-	-
GRATUITY PAYABLE-ECU INTERNATIONAL (ASIA) PRIVATE LIMITED.	-	-	-	-	2.03	-	-	-
OPERATING INCOME - GATI CARGO EXPRESS SHANGHAI CO LTD	-	-	-	-	2.03	-	-	-
OPERATING INCOME - ECU WORLDWIDE (KENYA) LTD	-	-	-	-	56.97	-	212.46	-
TRADE RECEIVABLE-ECU LINE KENYA LIMITED	-	-	-	-	5.56	-	9.34	-
INTEREST ON ADVANCE - ALLCARGO LOGISTICS LTD	-	-	-	-	0.77	-	-	-
TRADE RECEIVABLE-GATI CARGO EXPRESS SHANGHAI CO LTD	-	-	1.61	-	-	-	-	-
OUTSTANDING PAYABLES-CCI LOGISTICS LTD	-	-	-	-	21.87	-	-	-
SECURITY DEPOSITS-JKS INFRASTRUCTURE PVT LTD (WH)	-	-	2.95	10.16	-	-	-	-
SECURITY DEPOSITS - VALUES SPACE REALTORS PVT LTD	-	-	7.91	0.84	-	-	-	-
SECURITY DEPOSIT - VALUES SPACES LOGISTICS & INDUSTRIAL PARK POLIVAKKAM PVT LTD	-	-	458.72	458.72	-	-	-	-
SECURITY DEPOSIT PAYABLE-JKS INFRASTRUCTURE PVT LTD	-	-	116.32	116.32	-	-	-	-
SECURITY DEPOSIT PAYABLE-JKS INFRASTRUCTURE PVT LTD	-	-	28.00	28.00	-	-	-	-
SECURITY DEPOSITS-KOPROLI WAREHOUSING PRIVATE LIMITED (PURSUANT TO DEMERGER TRANSINDIA REALITY & LOGISTICS PARKS LIMITED)	-	-	14.74	14.74	-	-	-	-
SECURITY DEPOSITS PAYABLE-KOPROLI WAREHOUSING PRIVATE LIMITED (PURSUANT TO DEMERGER TRANSINDIA REALITY & LOGISTICS PARKS LIMITED)	-	-	2.70	2.70	-	-	-	-
SECURITY DEPOSITS PAYABLE-KOPROLI WAREHOUSING PRIVATE LIMITED (PURSUANT TO DEMERGER TRANSINDIA REALITY & LOGISTICS PARKS LIMITED)	-	-	-	-	324.01	-	-	-
OUTSTANDING RECEIVABLES-JKS INFRASTRUCTURE PVT LTD	-	-	31.34	128.05	-	-	-	-
OUTSTANDING RECEIVABLES-VALUES SPACE REALTORS PVT LTD	-	-	7.17	21.27	-	-	-	-
OTHER EXPENSES-ALLCARGO MULTIMODAL PRIVATE LIMITED	-	-	0.19	6.06	-	-	-	-
RENTAL EXPENSES-ALLCARGO MULTIMODAL PRIVATE LIMITED (PURSUANT TO DEMERGER TRANSINDIA REALITY & LOGISTICS PARKS LIMITED)	-	-	101.32	26.45	-	-	-	-
OTHER EXPENSES - ALLCARGO LOGISTICS & INDUSTRIAL PARK PVT LTD	-	-	999.21	251.39	-	-	-	-
	-	-	-	28.31	-	-	-	-



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25 B. Related Party Transactions

Summary of transactions with related parties:

Particulars	Associates/Joint Ventures		Entities over which key managerial personnel exercises significant influence		Fellow Subsidiaries of Joint Venture		Key Managerial Personnel and their relatives	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
RENTAL EXPENSES- ALLCARGO LOGISTICS & INDUSTRIAL PARK PVT LTD				127.34				
OTHER EXPENSES- VALUES SPACE REALTORS PVT LTD			28.97	34.10				
RENTAL EXPENSES- VALUES SPACE REALTORS PVT LTD			559.18	467.42				
OTHER EXPENSES-MALUR LOGISTICS AND INDUSTRIAL PARKS PRIVATE LIMITED.				239.63				
RENTAL EXPENSES-MALUR LOGISTICS AND INDUSTRIAL PARKS PRIVATE LIMITED.				1638.48				
OTHER EXPENSES-GATI - KINTETSU EXPRESS PRIVATE LIMITED			113.62	31.80				
OTHER EXPENSES-AVASH BUILDERS AND INFRASTRUCTURE PVT LTD			49.50	49.50				
OTHER EXPENSES-ALLCARGO INLAND PARK PRIVATE LIMITED				63.10				
RENTAL EXPENSES-ALLCARGO INLAND PARK PRIVATE LIMITED (PURSUANT TO DEMERGER TRANSINDIA REALITY & LOGISTICS PARKS LIMITED)				746.82				
TRADE RECEIVABLE-GATI - KINTETSU EXPRESS PRIVATE LIMITED			19.64	40.68				
TRADE PAYABLE- MALUR LOGISTICS AND INDUSTRIAL PARKS PRIVATE LIMITED.				519.22				
TRADE PAYABLE- GATI - KINTETSU EXPRESS PRIVATE LIMITED			38.24	15.10				
TRADE PAYABLE- AVASH BUILDERS AND INFRASTRUCTURE PVT LTD			8.91	8.91				
TRADE PAYABLE- ALLCARGO INLAND PARK PRIVATE LIMITED				70.80				
TRADE PAYABLE- ALLCARGO MULTIMODAL PRIVATE LIMITED			14.46	56.63				
TRADE PAYABLE- ALLCARGO LOGISTICS & INDUSTRIAL PARK PVT LTD				34.20				
INTEREST ON TERM LOANS-ALL CARGO LOGISTICS LTD.	109.32	114.04						
SECURITY DEPOSITS RECEIVABLE-ALLCARGO LOGISTICS LTD.(PURSUANT TO DEMERGER TRANSINDIA REALITY & LOGISTICS PARKS LIMITED)	95.26	95.26						
SECURITY DEPOSITS-MADANAHATTI LOGISTICS AND INDUSTRIAL PARKS PVT LTD.			50.97	50.97				
SECURITY DEPOSITS- VENKATAPURA LOGISTICS AND INDUSTRIAL PARKS PVT LTD.				41.27				
SECURITY DEPOSITS- ALLCARGO INLAND PARK PRIVATE LIMITED			186.71	186.71				
SECURITY DEPOSITS- MALUR LOGISTICS AND INDUSTRIAL PARKS PRIVATE LIMITED				214.77				
SECURITY DEPOSITS- ALLCARGO MULTIMODEL PRIVATE LIMITED			64.29	64.29				
SECURITY DEPOSITS- ALLCARGO LOGISTICS & INDUSTRIAL PARK PVT LTD				32.74				
OPERATING EXPENSES-KOPROLI WAREHOUSING PRIVATE LIMITED (PURSUANT TO DEMERGER TRANSINDIA REALITY & LOGISTICS PARKS LIMITED)					11.88			
RENTAL EXPENSES-KOPROLI WAREHOUSING PRIVATE LIMITED (PURSUANT TO DEMERGER TRANSINDIA REALITY & LOGISTICS PARKS LIMITED)					160.98			
TRADE PAYABLE-KOPROLI WAREHOUSING PRIVATE LIMITED					70.98			
TRADE RECEIVABLES-ALLCARGO LOGISTICS LTD (PURSUANT TO DEMERGER TRANSINDIA REALITY & LOGISTICS PARKS LIMITED)	129.30	-30.69						
TRADE RECEIVABLES-ADVANCE RECEIVED FROM CUSTOMER -ALLCARGO LOGISTICS LTD (PURSUANT TO DEMERGER TRANSINDIA REALITY & LOGISTICS PARKS LIMITED)	89.65	-						
TRADE PAYABLES-ALLCARGO LOGISTICS LTD.	285.53	189.18						
TRADE PAYABLES-ALLCARGO LOGISTICS LTD.-CHENNAI-CFS-(PURSUANT TO DEMERGER ALLCARGO TERMINALS LTD)	49.74							
TRADE PAYABLES-ALLCARGO LOGISTICS LTD.-URAN-CFS (PURSUANT TO DEMERGER ALLCARGO TERMINALS LTD)	0.16							



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25 B. Related Party Transactions

Summary of transactions with related parties:

Particulars	Associates/Joint Ventures		Entities over which key managerial personnel exercises significant influence		Fellow Subsidiaries of Joint Venture		Key Managerial Personnel and their relatives	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
OPENING BALANCE OF LOAN PAYABLE - ALLCARGO LOGISTICS LTD (Incl. Interest)	1387.71	1320.47						
ADD: LOAN TAKEN		1.00						
ADD: LOAN TAKEN (STAMP DUTY)	91.09							
LESS: LOAN CONVERTED INTO OCPRS	230.38							
ADD: INTEREST PAYABLE	1320.47							
CLOSING BALANCE		66.24						
ADVANCE RECEIVED - ALLCARGO LOGISTICS LTD	388.70	1387.71						
OTHER PAYABLE - ALLCARGO LOGISTICS LTD	27.88	19.59						
REMUNERATION TO DIRECTOR- NARESH SHARMA		0.25						
SALARY PAYABLE- NARESH SHARMA								25.00
DIVIDEND PAID- NARESH SHARMA								18.57
DIVIDEND PAID- SATISH SHARMA								1.18
AVVASHYA CCI LOGISTICS PRIVATE LIMITED- ADVANCE GIVEN			940.05				1.44	2.00

Note: Transaction with CCI Logistics Limited and JKS Infrastructure Pvt Ltd, Allcargo Logistics Ltd (Haryana & Annex Division), GATI Cargo Ltd & GATI - KINETTSU Express Pvt Ltd, Speedy Multimodes Limited are subject to confirmation for the period and year ended 31.03.2023.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length



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26 **Fair value**

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying value		Fair value	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Financial Assets				
Short term loans	25.49	29.03	25.49	29.03
Trade receivables	4614.60	3703.55	4614.60	3703.55
Cash and cash equivalents	748.10	1184.97	748.10	1184.97
Other financial assets	4217.67	4773.86	4217.67	4773.86
Total	9605.87	9691.41	9605.87	9691.41
Financial Liabilities				
Trade payables	2102.97	2016.41	2102.97	2016.41
Other payables	2763.49	2452.61	2763.49	2452.61
Other financial liabilities	1681.03	625.01	1681.03	625.01
Total	6547.50	5094.02	6547.50	5094.02

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

27 **Fair Hierarchy :**

The Company uses following hierarchy for determining and disclosing the fair value of long term financial instruments:-

Level 1: Quoted (Unadjusted) price in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which uses inputs that have significant effect on the recorded fair value that are not based on observable market data.

Since the management has assessed that it has short term financial instruments whose Fair value largely approximates their carrying amounts, the aforesaid defined hierarchy will not be applicable for the same.

28 **Financial risk management objectives and policies**

The Company is exposed to foreign currency risk, credit risk and liquidity risk and risk related to its receivables. The Company's senior management oversees the management of these risks.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and foreign exchange transactions and other financial instruments.

Trade Receivables

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

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 a reasonable price. Management monitors the company's net liquidity position through rolling forecasts on the basis of expected cashflows.

29 **Capital Management**

The Company's objective for Capital Management is to maximise shareholder's value, support the strategic objectives of the Company. The Company determines the capital requirements based on its financial performance, operating and long term investment plans. The funding requirements are met through operating cash flows generated.

30 **Demerger**

The board of the Directors of Allcargo Supply Chain Private Limited ("ASCPL") at its meeting held on June 08, 2021, has approved the Scheme of Demerger of its Contract Logistics Business into Avvashya Supply Chain Private Limited ("ASCPL"), pursuant to which a Scheme Application bearing No. 178 of 2021 was filed with National Company Law Tribunal (NCLT) for which the final order was delivered from NCLT dated January 27, 2023 (the "Order").

The Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench sanctioned the scheme of Demerger and certified true copy of NCLT order was filed with the Registrar of the Companies on March 01, 2023.

In accordance with the Scheme of Arrangement (Scheme) between Allcargo Supply Chain Private Limited ("ASCPL") (Earlier known as Avvashya Supply Chain Private Limited ("ASCPL")) and Avvashya CCI Logistics Pvt Ltd, as approved by Hon'ble National Company Law Tribunal on 27th January, 2023, Contract Logistics business were demerged and transferred to Allcargo Supply Chain Private Limited with effect from the Appointed date of April 1, 2021 (appointed date), against the consideration of 229156113 equity shares of Allcargo Supply Chain Private Limited ("ASCPL") of Rs.10 each fully paid up for every 2 equity shares held by the shareholders of Avvashya CCI Logistics Private Limited ("ACCI") of Rs 10 each fully paid up.



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The Scheme will enable the Company to explore the potential business opportunities more effectively and efficiently.	
Pursuant to the scheme of demerger approved by NCLT, 229156113 equity shares of Rs. 10 each face value are issuable to the shareholders of Avvashya CCI Logisites Private Limited as per 175:2 share exchange ratio as consideration for the transfer of assets and liabilities by Allcargo Supply Chain Private Limited.	
As per the provisions of the Scheme, transfer of the above business into the Company have been accounted in the Financial Statements at book values as appearing in the books of the Demerged Company as on the close of business on the day immediately prior to the appointed date in compliance to the Indian Accounting Standards (Ind AS) specified in Annexure to the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.	
As and from the appointed date, upto and including the effective date Avvashya CCI Logisites Private Limited shall carry on and deemed to have carried on Contract Logistics business and activities and shall stand possessed of all assets and properties in trust for the Company and shall account for the same to the Company.	
Assets and liabilities received by the Company incase of demerger as at April 1, 2022 are as follows:	
ASSETS	
Non-current assets	
Property, Plant and Equipment	30957.30
Intangible fixed assets under development	1.11
Other intangible assets	14.82
Deferred tax assets	424.60
Non-current tax assets	451.71
Financial assets	
Long term Other financial assets/ Derivative instruments	1643.17
Current assets	
Inventories	
Trade and other receivables	4,296.61
Cash and cash equivalents	1,122.15
Short term Loans/Advances	33.28
Other financial assets	810.13
Receivable from ACCI	930.42
Other current assets	445.05
TOTAL ASSETS	(A) 41,130.34
Non-current liabilities	
Financial liabilities	
(i) Borrowings	770.00
(ii) Lease liability	22,644.29
(iii) Financial liability	780.20
Other Non-Current Liabilities	19.56
Total	24,214.05
Current liabilities	
Financial liabilities	
(i) Borrowings	
(i) Lease liability Current	6,023.65
(ii) Trade payables	2,154.86
(iii) Other Payables	1,872.82
Other financial liabilities (Current)	-
Net employment defined benefit liabilities	138.85
Contract Liability	-
Other current liabilities	451.06
Total	10,641.24
TOTAL LIABILITIES	(B) 34,855.29
Net assets transferred (A) - (B)	6,275.05
Represented By	
Equity Share issuable pursuant to demerger	22915.61
Capital Reserve pursuant to demerger	-16640.56
Equity attributable to equity holders of the parent	6275.05



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31 Leases:

Company as Lessee

(a) The following is the break-up of current and non-current lease liabilities as at March 31, 2023:

Particulars	As at 31 March 2023	As at 31 March 2022
Current lease liabilities	3979.84	4779.73
Non-Current lease liabilities	22224.76	21736.10
Closing Balances as on 31st March	26204.59	26515.83

(b) The following is the movement in lease liabilities for the year ended March 31, 2023:

Particulars	As at 31 March 2023	As at 31 March 2022
Balances as on 1st April	26515.83	28667.93
Finance cost accrued during the year	2394.19	1000.50
Modifications in lease terms during the year	6131.13	6286.70
Lease payments made during the year	-8836.56	-9439.30
Closing Balances as on 31st March	26204.59	26515.83

(c) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis:

Particulars	As at 31 March 2023	As at 31 March 2022
Within 1 year	8677.52	8444.75
Between 1 to 5 years	24631.44	24358.52
More than 5 years	5634.71	5634.71
Closing Balances	38943.67	38437.98

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

- (d) Lease payments for less than 1 year lease contracts as well as for low value items for the year ended March 31, 2023 is INR.49.50/- (March 31, 2022 INR.49.50/-) (Refer Note 20).
- (e) The Company had total cash flows for leases of INR.8836.56/- for the year ended March 31, 2023 (March 2022 INR.9439.30/-). The Company does not have non-cash additions to right - of - use assets and lease liabilities for the year ended March 31, 2022. There are no future cash outflows relating to leases that have not yet commenced.

(f) Total Expense on Leases

Particulars	As at 31 March 2023	As at 31 March 2022
Lease expense on short term leases (rent)	49.50	49.50
Interest expense on lease liabilities	2394.19	1000.50
Depreciation on ROU Assets	7156.38	9445.59
Closing Balances	9600.07	10495.59

Company as lessor

The Company has given certain warehouse and commercial properties on operating lease. However, the same is on cancellable leases, as both the party has an option to cancel by giving required notice period.



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32 Corporate Social Responsibility

As per section 135 of the Act, a CSR committee has been formed by the Company. The funds are utilised throughout the year on activities which are specified in Schedule VII of the Act. The utilisation is done either by way of direct contribution towards various activities or by way of contribution to a trust - Avvashya Foundation.

(a) Gross amount required to be spent by the Company during the year: approx Rs. 41.22 lakhs (31 March 2022: Rs 34.93 lakhs)

(b) The areas of CSR activities and contributions made thereto are as follows:

Amount spent during the year on	31-Mar-23	31-Mar-22
1) Construction / Acquisition of any assets	-	-
2) For purposes other than (1) above:		
- Promoting Sports and Games	-	-
- Promoting education, health & safety of underprivileged children	34.00	-
- Model Village Development of Tal. Panvel Dist. Raigad.	7.22	12.00
- Contributing towards COVID-19 Relief activity, setting of medical camps for eye and general health checkup	-	18.00
3) Others	-	4.93
Total	41.22	34.93

(c) There was no unspent amount for the year ended 31 March 2023

33 Other Statutory Information

- i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- ii) The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- iii) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing)
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- iv) The Company has not entered any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year
- v) The Company do not have any transactions with companies struck off.
- vi) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

34 On May 17, 2023 Share Purchase Agreement ("SPA") was entered between Allcargo Supply Chain Private Limited (the "Company" or "ASCPL"), Allcargo Logistics Ltd and JKS Finance Limited and its affiliates for acquisition of 89,069,138 (Eight Crores Ninety Lakhs Sixty Nine Thousand One Hundred and Thirty Eight) Equity Shares i.e. 38.87% stake of ASCPL from JKS Finance Limited and its affiliates, for consideration of approx.163 crores. Pursuant to said SPA, the JKS Finance Limited and its affiliates has sold its stake held in ASCPL to Allcargo Logistics Limited and consequently ASCPL has become wholly owned subsidiary of the Allcargo Logistics Limited.

35 Previous Year Figures

Previous Year Figures have been regrouped/ reclassified, where necessary, to confirm to this year's classification.

For C C Dangi & Associates
 Chartered Accountants
 ICAI firm registration No.1021057W

Ashish C. Dangi
 Partner
 Membership No.122926



For and on behalf of Board of Directors of
 Allcargo Supply Chain Private Limited
 CIN: U45200MH2008PTCI179557

Adarsh Hegde
 Director
 DIN No. 00035040

Mr Ravi Jakhar
 Director
 DIN No: 02188690

Sadik Jafar Thange
 Company Secretary
 M No. A56898



Place: Mumbai
 Date : 26th May,23

Place: Mumbai
 Date : 26th May,23



Ingenuity In Motion

BOARD'S REPORT

To
The Members of
Allcargo Supply Chain Private Limited

The Directors present their 15th Annual Report together with the Audited Financial Statements for the financial year ended March 31, 2023.

Financial Highlights:

	(Amount in ₹)	
Particulars	March 31, 2023	March 31, 2022
Income		
Revenue from Operations	3,409,614,264	3,442,936,094
Other Income	9,001,651	3,624,569
Finance income	24,991,716	18,720,778
Total income	3,443,607,631	3,465,281,442
Expenses		
Depreciation and amortization expenses	788,909,167	1,004,066,893
Finance costs	256,924,187	120,918,860
Other expenses	115,630,242	93,764,928
Cost of services rendered	1,806,359,653	1,791,564,022
Employee benefits expense	279,706,395	202,744,772
Total expenses	3,247,529,644	3,213,059,474
Profit before tax	196,077,987	252,221,968
Tax expense:		
Current tax	64,994,206	90,927,174
Adjustment of tax relating to earlier periods	1,240,755	23,494
Deferred tax (credit)/charge	(12,602,418)	(22,198,062)
Total tax expense	53,632,543	68,752,606
Profit for the year (A)	142,445,444	183,469,362
Other Comprehensive Income for the year, net of tax (B)	(1,381,699)	1,251,893
Total Comprehensive income for the year, net of tax (A) + (B)	141,063,745	184,721,255

Pursuant to the provisions of the Companies Act, 2013 (the "Act"), the Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

State of Affairs

The Profit after taxes was ₹ 142,445,444/- in FY2022-23 as compared to Profit after taxes ₹ 183,469,362 in the previous year.

Change in the Nature of Business

During the year under review, there was no change in the nature of business or operation of the Company which impacted the financial position of the Company. However Company has acquired Contract Logistics Business from Avvashya CCI Logistics Private Limited pursuant to the Scheme of Arrangement and Demerger between them.

ALLCARGO SUPPLY CHAIN PRIVATE LIMITED (FORMERLY KNOWN AS AVVASHYA SUPPLY CHAIN PRIVATE LIMITED)

Allcargo House, 6th Floor, CST Road, Kalina, Santacruz (E), Mumbai - 400 098. Maharashtra. India.

T: +91 22 6679 8110 | www.allcargosupplychain.com | CIN: U45200MH2008PTC179557 | GSTIN: 27AAHCA074712M





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Dividend

With a view to utilize the profits of the Company for future expansion plans and growth prospects the Directors do not recommend any dividend for the financial year ended March 31, 2023.

Details of Subsidiary/Joint Ventures/Associate Companies

The Company has no subsidiaries/joint venture/associate companies. Hence, the provisions of Section 129 of the Act read with Rules framed thereunder are not applicable to the Company.

Holding Company

The Company is a wholly owned subsidiary of Allcargo Logistics Limited as on the date of this report.

Share Capital

Pursuant to the Scheme of Arrangement and Demerger between the Avvashya CCI Logistics Private Limited and the Company:

- Existing paid up share capital consisting of 6524000 equity shares of ₹ 10/- each aggregating was converted into 6524000 Optionally Convertible Redeemable Preference Shares ("OCRPS") of ₹ 10/- each
- Further Company has converted existing loan of ₹ 13,20,46,820 obtained from Allcargo Logistics Limited into 1,32,04,682 OCRPS of ₹ 10/- each.
- Company has also allotted 22,91,56,113 equity shares of ₹ 10/- as a consideration to:

Sr. No.	Name and occupation of allottees	Number of Securities allotted
1.	Naresh Sharma	14,43,750
2.	Satish Sharma	17,50,000
3.	JKS Finance Limited	7,90,01,563
4.	JKS India Holding Private Limited	64,26,350
5.	JKS Abasan LLP	4,47,475
6.	Allcargo Logistics Limited	14,00,86,975

Public Deposits

During the year under review, the Company has not accepted, invited and received any deposits from the public within the meaning of Sections 73 and 76 of the Act and Rules framed thereunder.

Annual Return

As per the provision of Section 134(3)(a) of the Act, the Company is required to provide web address, if any, where the Annual Return as prepared under Section 92(3) has been placed. The Company does not maintain a website hence is not required to provide web address, however the Annual Return will be filed with Registrar of Companies within the prescribed timelines as provided under the Act.



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T: +91 22 6679 8110 | www.allcargosupplychain.com | CIN: U45200MH2008PTC179557 | GSTN: 27AAHCA0747112M

Board of Directors

- a. **Composition:** The Board of Directors of the Company comprises of Three Directors –
¹Mr Pirojshaw Sarkari (DIN: 00820860) – Managing Director
 Mr Ravi Jakhar (DIN: 02188690) – Non Executive Director
²Mr Vinita Mohoni (DIN: 01919140) – Additional Non-Executive Independent Director
³ Mr Adarsh Hegde (DIN: 00035040) – Non-Executive Director
⁴ Mr Vaishnavkiran Shetty (DIN: 0707744) – Non-Executive Director

Note:

1. Mr Pirojshaw Sarkari was appointed as an Additional Director w.e.f. May 30, 2023 and was designated as Managing Director of the Company w.e.f. May 30, 2023
2. Mrs Vinita Mohoni was appointed as a Additional Non-Executive Independent Director of the Company w.e.f. May 30, 2023
3. Mr Adarsh Hegde ceased to be a Director of the Company w.e.f. May 30, 2023
4. Mr Vaishnavkiran Shetty was appointed as a Director at the Annual General Meeting held on September 19, 2022 and further he resigned as a Director of the Company w.e.f. July 03, 2023

Company Secretary

Mr Sadik Jafar Thange continues to be the Company Secretary of the Company.

- b. **Directors Retiring by Rotation:** In accordance with the provisions of the Act Mr Ravi Jakhar (DIN: 02188690), Director of the Company retires by rotation at the ensuing Annual General Meeting ("AGM") and being eligible, offers himself for re- appointment. The Board recommends his re-appointment as Director liable to retire by rotation at the ensuing AGM of the Company.
- c. **Board Meetings:** During the year under review, the Board met 7 (Seven) times on April 18, 2022, May 20, 2022, August 06, 2022, November 07, 2022, February 03, 2023, February 27, 2023 and March 01, 2023. Details of attendance of the Directors at each of the Board meetings are as given below:

Sr. No.	Name of Director	No. of Board Meeting held	No. of Board Meeting attended
1.	Mr Adarsh Hegde	7	7
2.	Mr. Ravi Jakhar	7	7
3.	Mr Vaishnavkiran Shetty	6	1

Committees of the Board

The Company was not required to constitute any statutory committees of the Board under the relevant provisions of the Act and Rules framed thereunder during the year under review.

Directors' Responsibility Statement

Pursuant to Section 134 (3) (c) read with Section 134(5) of the Act, the Board to the best of their knowledge and ability confirm that:-

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit for that year;





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- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis; and
- e) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Auditors

M/s Shaparia Mehta & Associates, LLP Chartered Accountants (Firm Registration No. 112350W/W-100051) ("SMCA"), resigned as auditor of the Company due to their other assignments which caused casual vacancy in the office of auditor w.e.f. April 18, 2023.

The Board extended sincere thanks to the outgoing auditor for the support during their tenure as auditor of the Company.

In order to fill the casual vacancy caused due to the resignation of auditor, the Company received consent cum eligibility letters from M/s. C C Dangi & Associates, Chartered Accountants, Mumbai, (Firm Registration No. 102105W), to the effect that their appointment, if approved, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified to acts as auditor. Thereafter, shareholders at the Extra-Ordinary General Meeting held on May 19, 2023 have appointed M/s. C C Dangi & Associates, Chartered Accountants, Mumbai, (Firm Registration No. 102105W), as Statutory Auditor of the Company till the ensuing Annual General Meeting ("AGM") to be held in the year 2023 based on the recommendation of the Board of Directors.

Accordingly, the Board recommends the appointment of M/s. C C Dangi & Associates, Chartered Accountants, Mumbai, as Statutory Auditor of the Company at the ensuing AGM of the Company to hold office from the conclusion of the ensuing AGM till the conclusion of 20th AGM to be held in the year 2028.

Auditors' Report

The Reports of the Statutory Auditors along with notes on the Financial Statements are enclosed to this Report. The observations made in the Auditors' Report are self explanatory and do not call for any further comments.

The Auditors' Reports do not contain any qualification, reservation, adverse remark or disclaimer.

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Board under Section 143(12) of the Act and Rules framed thereunder.

Corporate Social Responsibility (CSR)

Pursuant to Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules"), the Company has framed and adopted Corporate Social Responsibility (CSR) Policy to serve the society where it operates.

The brief outline of the CSR Policy of the Company and initiatives undertaken by the Company on CSR activities during the year are set out in Annexure 1 of this Report in the format prescribed in the Rules.



Particulars of Loans, Guarantees Securities and Investments

During the year under review, the Company has not given loans or provided guarantees/securities or made investments.

Particulars of Contracts or Arrangements with Related Parties

During the year under review, all related party transactions that were entered into by the Company as referred to in Section 188 of the Act were in the ordinary course of the business and at arm's length basis.

All material related party transactions were carried out at arms length during the period under review which are mentioned in Form AOC-2 enclosed as **Annexure -2**. Further, the related party transactions that were entered into by the Company during the FY2022-2023 are given in the notes to Financial Statements as per Ind-AS, which form part of this Annual Report.

SECRETARIAL AUDITOR

Pursuant to Section 204 of the Act and Rules framed thereunder, the Company has appointed M/s Mayekar & Associates, Company Secretaries in practice, to undertake the Secretarial Audit of the Company for FY2022-23. The Report of Secretarial Auditor in Form MR-3 for FY2022-23 is annexed as **Annexure 3**.

The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer. No instance of fraud has been reported by the Auditors.

Material changes and commitments, affecting the financial position of the Company

There are no material changes and commitments, affecting the financial position of the Company subsequent to close of FY2022-2023 till the date of this Report.

Significant and Material orders passed by the Regulators or Courts or Tribunals

During the year under review, no significant material orders have been passed by any Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

Risk Management Policy

The Company is a wholly owned subsidiary of Allcargo Logistics Limited and it has been covered under the Risk Management exercise carried out by the Holding Company. There are systems in place which helps to identify, evaluate, monitor, control, manage, minimize and mitigate identifiable business risks.

The purpose of risk management is to achieve sustainable business growth, protect Company's assets, safeguard shareholder investments, ensure compliance with applicable laws and regulations and avoid major surprises of risks.



Internal Financial Controls and their adequacy with reference to the Financial Statements

The Board has laid down Internal Financial Controls and believes that the same are commensurate with the nature and size of the business. The Company has adopted such policies and procedures for ensuring the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, which represents true and fair view of the Company's operation. The Company continuously checks and assesses the effectiveness and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

Particulars of Employees

During the year under review, the Company does not have any employee, who was in receipt of remuneration as prescribed in Section 197(12) of the Act read with Rules framed thereunder.

Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company is a wholly-owned subsidiary of Allcargo Logistics Limited which is part of the Allcargo Group. The Avvashya Group has adopted an Anti-Sexual Harassment Policy which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and all group companies are covered therein. During the year under review, the Company has not received any complaints of sexual harassment of women at workplace.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:**A. Conservation of Energy:****(i) The steps taken or impact on conservation of energy:**

Even though operation of the Company is not energy intensive, the Company has always strived to optimize energy consumption.

(ii) The steps taken by the Company for utilizing alternate sources of energy:

Nil

(iii) The capital investment on energy conservation equipment:

During the year under review, the Company has not made any investment on energy conservation equipment.

B. Technology Absorption:**(i) The efforts made towards technology absorption and the benefits derived like product improvement, cost reduction, product development or import substitution:**

During the year under review, the Company has not carried out any activities involving technology absorption.

(ii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

The Company has not imported any technology during the period of last three years.

(iii) The expenditure incurred on Research and Development.

During the year under review, the Company has not incurred any expenditure on the research & development activities of the Company.





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C. Foreign Exchange Earnings & Outgo:

Foreign Exchange Earnings	:	₹ 6,253,112
Foreign Exchange Outgo	:	Nil

Compliance of Secretarial Standards

The Company is in compliance with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India

Acquisition of Contract Logistics Business:

The Company is in the advance stage of discussion to acquire the Contract Logistics Business from Avvashya CCI Logistics Private Limited through the Scheme of Arrangement (Demerger). The final approval from the Hon'ble National Company Law Tribunal on the Scheme of Arrangement (Demerger) was received on January 27, 2023. The scheme was filed with Registrar of Companies on March 01, 2023 and the scheme is now effective from the appointed date.

Acknowledgements

The Directors take this opportunity to place on record their gratitude for the valuable support and co-operation extended by the Government, the stakeholders, business associates, banks, customers, vendors and service providers during the year under review.

**For and on behalf of the Board of Directors
Allcargo Supply Chain Private Limited**

Pirojshaw Sarkari
Director
(DIN: 00820860)

Ravi Jakhar
Director
(DIN: 02188690)



Date: August 04, 2023
Place: Mumbai

Annexure 1
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES
For the financial year ended March 31, 2023

1. Brief outline on CSR Policy of the Company.

The Company has committed itself to making a difference in the lives of underprivileged and economically challenged citizens of our country. Allcargo's Corporate Social Responsibility (CSR) initiatives, through 'Avashya Foundation' a non-Profit organization and in collaboration with various NGOs, Trusts, other approved entities or institutions engaged in CSR programs, believes in nurturing inclusive development with a human touch. The Company's CSR activities focus is to take each initiative beyond philanthropy and promote people centric inclusive development with the active participation of the community at all levels. Allcargo's CSR initiatives aim to support:

Education for children and adults across the underprivileged and economically challenged sections of the rural as well as urban society. Creation of the platform for financial assistance, student's scholarships & adoption programs, parent's awareness campaigns and education support infrastructure paving way for the mainstreamization of the education, improving quality of education and infrastructure.

Health Care by providing critical medical assistance for curative and preventive health care with the objective of addressing challenges of adorability and accessibility in public health. Essential and lifesaving medicines and medical treatment are being made available to all underprivileged and economically challenged section of the society in Mumbai.

Women Empowerment by providing a platform for all women across the varied sections of the society for making a better living through education, skills development and employment programs, to support themselves and their families thereby improving social and economic conditions.

Natural Disaster Relief by providing immediate and life essential supply of water, food and medicine to regions of India effected by natural disasters such as drought, flood, earthquakes, and other calamities.

Environmental Sustainability by focusing on creating awareness towards sustainable environmental practices, environment conservation, water conservation, alternative energy, conservation of natural resources and training people to be more conscious, responsible and accountable to the environment and its conservation.

Sports by promoting and supporting human personality and excellence in sports associated with high prestige and morale. By sponsoring sportsperson to enable them to participate in state, national and international level sports, promotion of different sports activities, undertaking programs for creation of pool of competitive sportsperson.

2. Composition of CSR Committee: Not Applicable





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4. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: Not Applicable
5. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable
6. (a) Average net profit of the Company as per sub-section (5) of section 135: ₹ 6,54,33,878/-
 (b) Two percent of average net profit of the Company as per sub-section (5) of section 135: ₹ 13,80,678/-
 (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Nil
 (d) Amount required to be set-off for the financial year, if any: Nil*
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 13,80,678/-
7. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 4,121,551/- (refer Annexure A for detail)
 (b) Amount spent in Administrative Overheads: Nil
 (c) Amount spent on Impact Assessment, if applicable: Not Applicable
 (d) Total amount spent for the Financial Year: ₹ 4,121,551/-
 (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 4,121,551/-	NA	NA	NA	NA	NA

(f) Excess amount for set-off, if any:

Sr. No.	Particular	Amount in ₹
(i)	Two percent of average net profit of the Company as per sub-section (5) of Section 135	13,08,678
(ii)	Total amount spent for the financial year	41,21,551
(iii)	Excess amount spent for the financial year [(ii)-(i)]	28,12,873
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	28,12,873



8. Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub section (6) of section 135	Balance Amount in Unspent CSR Account under subsection(6) of section 135	Amount spent in the Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any		Amount remaining to be spent in succeeding financial years	Deficiency, if any
					Amount	Date of transfer		
Not Applicable								

9. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes /No

If Yes, enter the number of Capital assets created/ acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
Not Applicable							

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)





Ingenuity In Motion

10. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per subsection (5) of section 135:
Not applicable

For Allcargo Supply Chain Private Limited

Pirojshaw Sarkari
Managing Director
DIN: 00820860

Date: August 04, 2023
Place: Mumbai

Ravi Jakhar
Director
DIN: 02188690





Ingenuity In Motion

Annexure A

(i) Details of CSR amount spent against ongoing projects for the financial year:

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of Project activities in Schedule VII to the Act	(4) Local area (Yes/No)		(5) Location of the project		(6) Project duration	(7) Amount allocated for the project	(8) Amount spent in the current financial Year	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency		
			State	District	State	District						Name	CSR Registration number	
NIL														

(ii) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project	Mode of implementation - Direct (Yes/No)	Through implementing agency Name	Mode of implementation - CSR Registration Number
				State	District				
1.	Jeevan Coping with Cancer	Promoting health care including preventive healthcare	No	Telangana	Hyderabad	26,58,253	No	Foundation of his Sacred Majesty	CSR00005477
2.	Model Village Development	Rural Development Project	Yes	Maharashtra	Raigad	7,21,551	No	Savali	CSR000003432
3.	Drushti	Promoting gender equality	Yes	Maharashtra	Raigad	190,333	No	Saad foundation	CSR000006693
4.	Digital Learning	Promoting health care including preventive healthcare	No	Gujarat, Tamil Nadu and Maharashtra	Mundra Chennai and Uran	551,414	No	Foundation of his sacred Majesty	CSR000005477
Total						4,121,551			



Annexure - 2
Form AOC-2
(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

- Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of Contracts or Arrangements or Transactions not at Arm's Length Basis

Sr. No.	Particulars	Related Party Transactions
(a)	Name(s) of the related party and nature of relationship	Nil
(b)	Nature of contracts/arrangements/ transactions	Nil
(c)	Duration of the contracts/ arrangements/transactions	Nil
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
(e)	Justification for entering into such contracts or arrangements or transactions	Nil
(f)	Date(s) of approval by the Board	Nil
(g)	Amount paid as advances, if any:	Nil
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Nil

2. Details of Material Contracts or Arrangement or Transactions at Arm's Length Basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/ transactions	Duration of the contracts/ arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any:
1.	Nil	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors
Allcargo Supply Chain Private Limited


Pirojshaw Sarkari
Director
(DIN: 00820860)


Ravi Jakhar
Director
(DIN: 02188690)



Date: August 04, 2023
Place: Mumbai



SHAPARIA MEHTA & ASSOCIATES LLP
CHARTERED ACCOUNTANTS

804, A WING, NAMAN MIDTOWN, SENAPATI BAPAT MARG, ELPHINSTONE ROAD, MUMBAI - 400 013. INDIA.
Telephone : +91 6229 5100 • E-mail : office.smca@gmail.com • Web : www.smca.in

INDEPENDENT AUDITOR'S REPORT

To the Members of Avvashya Supply Chain Private Limited (formerly known as South Asia Terminals Private Limited)

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of Avvashya Supply Chain Private Limited ("the Company"), which comprise the Balance sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 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 31 March 2022, its loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date which are designed to prepare the Consolidated Ind AS Financial Statements of Allcargo Logistics Limited as at 31 March 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusions 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 the 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

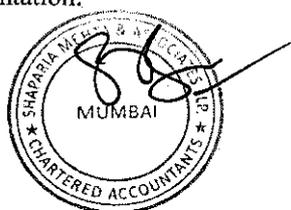
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or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

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

Auditor's Responsibilities for the Audit of the Ind AS Standalone Financial Statements

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

- Identify and assess the risks of material misstatement of the Ind AS 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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.

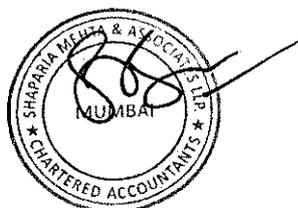
Other Matters

This report is issued solely for the purpose of inclusion in the Consolidated Ind AS Financial Statement of Allcargo Logistics Limited. This report may not be useful for any other purpose.

Our audit opinion is not modified in respect of the above.

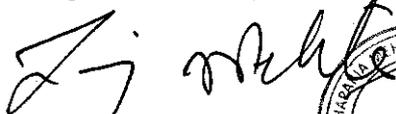
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31 March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act is not applicable.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position.



- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company, or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (h)(iv)(a) and (b) contain any material mis-statement.
- (v) The Company has not declared or paid any dividend during the year.

For Shaparia Mehta & Associates LLP
Chartered Accountants
(Firm's Registration No. 112350W/ W-100051)

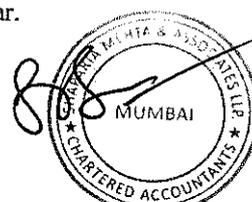



Sanjiv Mehta
Partner
Membership No. 034950
Mumbai, 20th May, 2022
UDIN: 22034950AKBUXA7843

Annexure A to the Independent Auditor's Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2022, we report that:

- (i) The Company holds no Property, Plant and Equipment, intangible assets and immovable property at the end of the year. Hence the reporting under clause 3(a)(b)(c)(d) is not applicable to the Company.
- (e) As per the information and explanation provided to us by the Company, the Company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under, hence the reporting under sub clause 3(i)(e) of the order is not applicable to the Company.
- (ii) (a) The Company is a service Company does not hold any physical inventories at the end of the year, accordingly reporting under this clause of the order is not applicable to the Company.
- (b) The Company has no outstanding working capital loans from banks or financial institutions at any point of time during the year, hence the reporting under this clause of the order is not applicable to the Company.
- (iii) During the year, the Company has not made any investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, hence the reporting under this clause of the order is not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not provided any loan, guarantees, security or made any investment where provisions of section 185 and 186 of the Companies Act, 2013 are applicable. Consequently, the reporting under this clause of the order is not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us the Company has not accepted any deposits from the public so as to require any compliance of the directives of Reserve Bank of India or the provisions of section 73 or 76 of the Companies Act, 2013. As explained to us, the Company has not received any order passed by the Company Law Board or the National Company Law Tribunal or any court or other forum.
- (vi) According to the information and explanation given to us, maintenance of cost records in not applicable to the Company. Hence reporting under this clause of the order is not applicable to the Company.
- (vii) (a) In our opinion and according to the information and explanations given to us, the Company is normally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales tax, service tax, duty and customs, duty of excise, value added tax, cess and any other applicable statutory dues to the appropriate authorities though there are slight delays in few cases. There are no outstanding statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the statutory dues referred to in the sub-clause (a) are not involved in any dispute with the concerned department or authorities.
- (viii) There are no transactions which were not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), hence accordingly, the reporting under this clause of the order is not applicable to the Company.
- (ix) (a) In our opinion and according to the information and explanations given to us by the Company, the Company has not defaulted in repayment of loans or borrowing to financial institutions, banks, government or dues to debenture holders during the year.

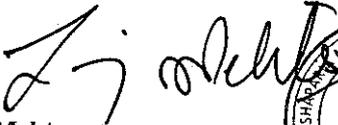


- (b) The Company has not been declared wilful defaulter by any bank or financial institution or any other lender.
- (c) The Company has not taken any term loans from banks or financial institutions during the year, hence reporting under this clause of the order is not applicable to the Company.
- (d) The company not raised any funds on short term basis which have been utilized for long term purposes.
- (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under this clause of the order is not applicable to the Company.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting under this clause of the order is not applicable to the Company.
- (xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the period under audit.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have not come across any whistle blower complaints received during the year from the Company.
- (xii) The Company is not a Nidhi Company as defined under section 406 of the Companies Act, 2013. Accordingly, reporting under this clause of the order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not required to constitute an audit committee, accordingly provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company. All transactions with the related parties are in compliance with Section 188 of Companies Act, 2013 during the period under audit. The Company has complied with the requirement of disclosing the details of all the related parties in the financial statements, as required by the applicable accounting standards.
- (xiv) In our opinion and according to the information and explanation given to us, the Company is not required to appoint an internal auditor as per provisions of Section 138 of the Companies Act, 2013. Hence the reporting under this clause of the order is not applicable to the Company.
- (xv) On the basis of information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the reporting under this clause of the order is not applicable to the Company.
- (xvi) (a) The Company is not a Non-Banking Financial Company and accordingly it's not registered under section 45-IA of the Reserve Bank of India Act, 1934.



- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve bank of India as per the Reserve Bank of India Act, 1934;
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India, hence reporting under this clause of the order is not applicable to the Company.
- (d) There is no Core Investment Company as part of the Group, hence, the requirement to report under this clause of the order is not applicable to the Company.
- (xvii) The Company has incurred cash losses in the financial year amounting Rs. 1,18,58,471 and in the immediately preceding financial year amounting Rs. 4,09,52,850.
- (xviii) There has been no resignation of the statutory auditor during the year under audit.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to the information and explanation given to us, provisions of Section 135 of the Companies Act, 2013 relating to 'Corporate Social Responsibility' is not applicable to the Company. Hence reporting under the sub-clauses of the order is not applicable to the Company.
- (xxi) According to the information and explanation given to us, the Company does not have subsidiaries or associate companies and is not required to prepare consolidated financial statements. Accordingly, clause 3(xxii) of the Order is not applicable.

For Shaparia Mehta & Associates LLP
Chartered Accountants
(Firm's Registration No. 112350W/ W-100051)


Sanjiv Mehta
Partner
Membership No. 034950
Mumbai, 20th May, 2022
UDIN: 22034950AKBUXA7843



Annexure - B to the Independent Auditor's Report

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")

1. We have audited the internal financial controls over financial reporting of Avvashya Supply Chain Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended and as at on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to Ind AS financial statements

5. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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

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

Opinion

7. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Shaparia Mehta & Associates LLP
Chartered Accountants
(Firm's Registration No. 112350W/ W-100051)



Sanjiv Mehta
Partner

Membership No. 034950
Mumbai, 20th May, 2022

UDIN: 22034950AKBUXA7843



Avvashya Supply Chain Private Limited (formerly known as South Asia Terminals Private Limited)
Balance sheet as at 31 March 2022

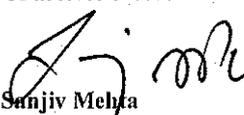
	Notes	31 March 2022	31 March 2021
Assets			
Non-current assets			
Property, plant and equipment (net)	2	-	-
Intangible assets	3	-	-
Non-current tax assets (net)	4	4,13,821	4,37,315
Total - Non-current assets		4,13,821	4,37,315
Financial assets			
Trade and other receivables	5	-	5,47,62,268
Cash and cash equivalents	6	56,214	8,62,922
Other current assets	7	53,100	21,939
Total - Current assets		1,09,314	5,56,47,129
Total Assets		5,23,134	5,60,84,444
Equity and Liabilities			
Equity			
Equity share capital	8	6,52,50,000	6,52,50,000
Other equity	9	(20,63,40,249)	(19,44,81,778)
Equity attributable to equity holders of the parent		(14,10,90,249)	(12,92,31,778)
Non-controlling interests		-	-
Total Equity		(14,10,90,249)	(12,92,31,778)
Non-current liabilities			
Financial liabilities			
Borrowings	10	13,21,46,818	13,20,46,818
		13,21,46,818	13,20,46,818
Current liabilities			
Financial liabilities			
Borrowings	11	-	-
Trade payables	12.1	91,663	1,02,758
Other payables	12.2	38,500	39,500
Other financial liabilities	13	66,23,778	4,88,30,306
Other current liabilities	14	27,12,625	42,96,841
Total - Current liabilities		94,66,565	5,32,69,404
Total equity and liabilities		5,23,134	5,60,84,444
Significant accounting policies	1		
Notes to the financial statements	2-24		

The notes referred to above are an integral part of these financial statements

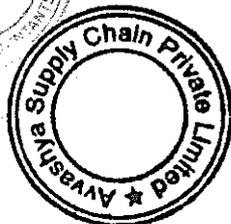
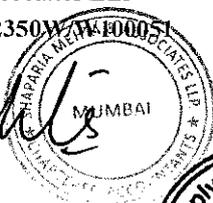
As per our report of even date attached

For Shaparia Mehta & Associates LLP

Firm Registration no - 112350W/AW/00051
Chartered Accountants


Sanjiv Mehta
Partner
Membership No. 034950

Date : 20th May 2022

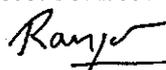


For and on behalf of Board of directors of

Avvashya Supply Chain Private Limited
CIN No: L45200MH2008PTC179557


Adarsh Hegde
Director
DIN No: 00035040

Date : 20th May 2022


Mr Ravi Jakhar
Director
DIN No: 02188690


Sadik Jafar Thange
Company Secretary
M No. A56898

Avvashya Supply Chain Private Limited (formerly known as South Asia Terminals Private Limited)
Statement of Profit and Loss for the year ended 31 March 2022

	Notes	31 March 2022	31 March 2021
Continuing Operations			
Income			
Other Income	14	-	15,250
Total income		<u>-</u>	<u>15,250</u>
Expenses			
Depreciation and amortisation expenses	15	-	8,98,623
Finance costs	16	1,15,65,325	1,43,42,567
Other expenses	17	2,69,652	2,66,25,533
Total expenses		<u>1,18,34,977</u>	<u>4,18,66,723</u>
Profit before share of profit of associates and joint ventures and tax from continuing operations		<u>(1,18,34,977)</u>	<u>(4,18,51,473)</u>
Share of profits of associates and joint ventures		-	-
Profit before tax		<u>(1,18,34,977)</u>	<u>(4,18,51,473)</u>
Tax expense:			
Current tax		-	-
taxes of earlier years		23,494	-
Total tax expense		<u>23,494</u>	<u>-</u>
Profit for the year from Continuing Operation (i)		<u>(1,18,58,471)</u>	<u>(4,18,51,473)</u>
Discontinued operations			
Profit/(loss) before tax for the year from discontinued operations		-	-
Tax Income/ (expense) of discontinued operations		-	-
Profit/ (loss) for the year from discontinued operations (ii)		<u>-</u>	<u>-</u>
Profit for the year (A)		<u>(1,18,58,471)</u>	<u>(4,18,51,473)</u>
Other Comprehensive Income:			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement gain/(losses) on defined benefit plans		-	-
Income tax effect		-	-
Other Comprehensive Income for the year, net of tax (B)		<u>-</u>	<u>-</u>
Total Comprehensive income for the year, net of tax (A) + (B)		<u>(1,18,58,471)</u>	<u>(4,18,51,473)</u>
Earnings per equity share (nominal value of Rs 10 each)			
Basic and diluted	18	(1.82)	(6.41)

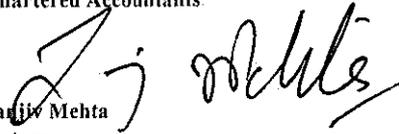
Significant accounting policies
Notes to the financial statements

1
2-24

The notes referred to above are an integral part of these financial statements

As per our report of even date attached

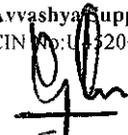
For Shaparia Mehta & Associates LLP
Firm Registration no - 112350W/W100051
Chartered Accountants

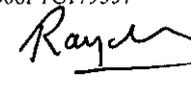

Sanjiv Mehta
Partner
Membership No. 034950



Date : 20th May 2022

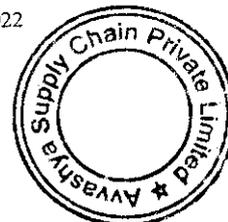
For and on behalf of Board of directors of
Avvashya Supply Chain Private Limited
CIN No: U3200MH2008PTC179557


Adarsh Hegde
Director
DIN No: 00035040


Mr Ravi Jakhar
Director
DIN No: 02188690


Sadik Jafar Thange
Company Secretary
M No. A56898

Date : 20th May 2022



Avvashya Supply Chain Private Limited (formerly known as South Asia Terminals Private Limited)
Statement of Changes in Equity for the year ended 31 March 2022

(A) Equity Share Capital:

	No.	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
At 31 March 2020	65,25,000	6,52,50,000
Issue of share capital	-	-
At 31 March 2021	65,25,000	6,52,50,000
Issue of share capital	-	-
At 31 March 2022	65,25,000	6,52,50,000

(B) Other Equity:

For the year ended 31 March 2022

Particulars	Reserves & Surplus	
	Balance in Statement of Profit and Loss	Total Other Equity
As at 31st March 2021	(19,44,81,778)	(19,44,81,778)
Net Profit for the period	(1,18,58,471)	(1,18,58,471)
Total comprehensive income	(20,63,40,249)	(20,63,40,249)
As at 31 March 2022	(20,63,40,249)	(20,63,40,249)

For the year ended 31 March 2021

Particulars	Reserves & Surplus	
	Balance in Statement of Profit and Loss	Total Other Equity
As at 31st March 2020	(15,26,30,305)	(15,26,30,305)
Net Profit for the period	(4,18,51,473)	(4,18,51,473)
Total comprehensive income	(19,44,81,778)	(19,44,81,778)
As at 31 March 2021	(19,44,81,778)	(19,44,81,778)

As per our report of even date attached

For Shaparia Mehta & Associates LLP
Firm Registration no - 112350W/W100051
Chartered Accountants

Sanjiv Mehta
Partner
Membership No. 034950



Date : 20th May 2022

For and on behalf of Board of directors of
Avvashya Supply Chain Private Limited
CIN No: U45200MH2008PTC179557

Adarsh Hegde
Director
DIN No. 00035040

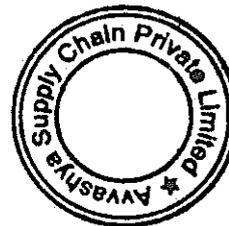
Date : 20th May 2022

Ravi

Mr Ravi Jakhar
Director
DIN No: 02188690

Shauq

Sauik Jafar Thange
Company Secretary
M No. A56898

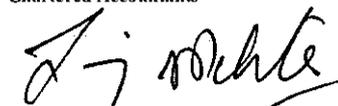


Avvashya Supply Chain Private Limited (formerly known as South Asia Terminals Private Limited)
Statement of Cash Flows for the period ended 31 March 2022

	31 March 2022	31 March 2021
Operating activities		
Profit before tax from continuing operations	(1,18,34,977)	(4,18,51,473)
Profit before tax from discontinued operations	-	-
Profit before tax	(1,18,34,977)	(4,18,51,473)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	-	8,98,623
Amortisation of intangible assets	-	-
Interest expense	1,15,65,325	1,43,42,567
Loss on assets write off	-	56,199
Loss on sale of assets	-	2,64,62,169
Working capital adjustments:		
Decrease / (increase) in trade receivables	5,47,62,268	(5,47,62,268)
Decrease / (increase) in other current and non current assets	(54,655)	8,13,010
(Decrease)/ Increase in trade payables	(11,095)	59,452
(Decrease)/ Increase in other current and non current liabilities	(15,84,216)	10,21,031
Cash generated from / (used in) operating activities	5,28,42,650	(5,29,60,691)
Income tax paid (including TDS) (net)	23,494	(4,13,821)
Net cash flows from/ (used in) operating activities (A)	5,28,66,144	(5,33,74,512)
Investing activities		
Proceeds from sale of property, plant and equipment	-	5,51,76,089
Net cash flows from / (used in) investing activities (B)	-	5,51,76,089
Financing activities		
Finance costs	(5,36,72,853)	(10,75,691)
Net cash flows from / (used in) financing activities (C)	(5,36,72,853)	(10,75,691)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(8,06,709)	7,25,887
Opening balance of cash and cash equivalents (refer note 6)	8,62,922	1,37,035
Cash and cash equivalents at the end (refer note 6)	56,213	8,62,922
Balance with Bank		
- On current accounts	56,214	8,62,922
Cash in hand	-	-
	56,214	8,62,922

As per our report of even date attached

For Shaparia Mehta & Associates LLP
 Firm Registration no - 112350W/W100051
 Chartered Accountants



Sanjiv Mehta
 Partner
 Membership No. 034950

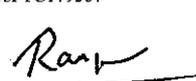


Date : 20th May 2022

For and on behalf of Board of directors of
 Avvashya Supply Chain Private Limited
 CIN No: U41200MH2008PTC179557



Adarsh Hegde
 Director
 DIN No: 00035040

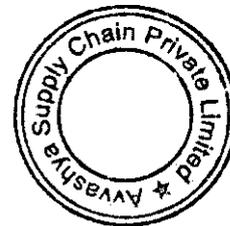


Mr Ravi Jakhhar
 Director
 DIN No: 02188690



Sadik Jafar Thange
 Company Secretary
 M No. A56898

Date : 20th May 2022



Avvashya Supply Chain Private Limited (formerly known as South Asia Terminals Private Limited)
Notes to the financial statements as at and for the year ended 31 March 2022

2 Property, Plant and Equipment

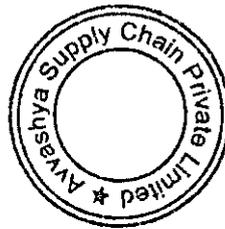
Description Cost or Valuation	Building	Plant and machinery	Office Equipment	Computers	Furniture & fixtures	Total
Balance as at 31 March 2020	10,43,46,898	97,68,548	2,83,566	5,25,434	93,999	11,50,18,445
Additions	-	-	-	-	-	-
Disposals (refer note 1)	(10,43,46,898)	(97,68,548)	-	-	-	(11,41,15,446)
Adjustment/ asset write off (refer note 2)	-	-	(2,83,566)	(5,25,434)	(93,999)	(9,02,999)
Exchange differences	-	-	-	-	-	-
Balance as at 31 March 2021	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-
Balance as at 31 March 2022	-	-	-	-	-	-
Depreciation and impairment						
Balance as at 31 March 2020	2,38,12,364	78,13,900	2,51,509	4,72,999	74,592	3,24,25,365
Depreciation for the year	7,82,016	68,907	23,590	17,954	6,156	8,98,623
Disposals (refer note 1)	(2,45,94,380)	(78,82,807)	-	-	-	(3,24,77,188)
Adjustment/ asset write off (refer note 2)	-	-	(2,75,099)	(4,90,953)	(80,748)	(8,46,800)
Exchange differences	-	-	-	-	-	-
Balance as at 31 March 2021	-	-	-	-	-	-
Depreciation for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-
Balance as at 31 March 2022	-	-	-	-	-	-
Net book value						
As at 31 March 2022	-	-	-	-	-	-
As at 31 March 2021	-	-	-	-	-	-

Note 1: Sale of Building premises & Plant and Machinery

The Board of directors of the Company in their meeting held on April 20, 2020 had given its approval for the sale and transfer of building property situated at Plot No.13B in the industrial area of Kheda, Pithampur, Tehsil & district – Dhār, State – Madhya Pradesh to Bantwal Warehousing Private Limited. Accordingly the Company has executed requisite definitive transaction documents and transferred the said property for Rs 55,176,089 as per valuation done by the independent third party valuer namely Colliers International (India) Property Services Pvt. Ltd.as per the valuation model prescribed by the relevant valuation standards.

Note 2: Remaining Assets write off

The Company had written off office equipment, computers and furniture & fixtures as on 31 March 2021 since all its primary assets were sold to Bantwal Warehousing Private Limited on 01st June 2020.



Avvashya Supply Chain Private Limited (formerly known as South Asia Terminals Private Limited)
Notes to the financial statements as at and for the year ended 31 March 2022

3 Intangible assets

Description	Computer software
Gross Block	
Balance as at 31 March 2020	5,80,545
Additions	-
Disposals	-
Discontinued operations	-
Exchange differences	-
Balance as at 31 March 2021	5,80,545
Additions	-
Disposals	-
Exchange differences	-
Balance as at 31 March 2022	5,80,545
Amortisation	
Balance as at 31 March 2020	5,80,545
Amortisation	-
Accumulated amortisation on disposals	-
Discontinued operations	-
Exchange differences	-
Balance as at 31 March 2021	5,80,545
Amortisation	-
Accumulated amortisation on disposals	-
Exchange differences	-
Balance as at 31 March 2022	5,80,545
Net book value	
As at 31 March 2022	-
As at 31 March 2021	-



Non-current tax Assets (net)

	31 March 2022	31 March 2021
Advance tax recoverable (net of provision for tax)	4,13,821	4,37,315
	4,13,821	4,37,315

Trade and other receivables

	31 March 2022	31 March 2021
Trade receivables	-	-
Other Receivables from related parties (Refer note. 21)	-	5,47,62,268
Total trade receivables	-	5,47,62,268
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	-	5,47,62,268
Trade Receivables which have significant increase in Credit Risk.	-	-
Trade Receivables - credit impaired	-	-
Provision for doubtful receivables	-	5,47,62,268
Total trade and other receivables	-	-

Trade Receivable Ageing:

As at 31.03.2022

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	Less than 1 Year	1 - 2 years	2 - 3 years	More than 3 Years	
Undisputed- Trade Receivable considered good	-	-	-	-	-	-	-
Undisputed - Trade Receivable significant increase in credit risk	-	-	-	-	-	-	-
Undisputed -Trade Receivable credit impaired	-	-	-	-	-	-	-
Disputed- Trade Receivable considered good	-	-	-	-	-	-	-
Disputed -Trade Receivable significant increase in credit risk	-	-	-	-	-	-	-
Disputed -Trade Receivable credit impaired	-	-	-	-	-	-	-
							-

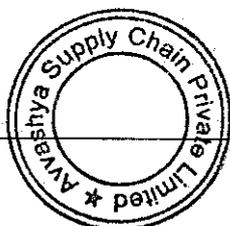
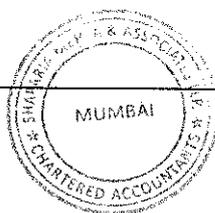
As at 31.03.2021

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	Less than 1 Year	1 - 2 years	2 - 3 years	More than 3 Years	
Undisputed- Trade Receivable considered good	-	5,47,62,268	-	-	-	-	5,47,62,268
Undisputed - Trade Receivable significant increase in credit risk	-	-	-	-	-	-	-
Undisputed -Trade Receivable credit impaired	-	-	-	-	-	-	-
Disputed- Trade Receivable considered good	-	-	-	-	-	-	-
Disputed -Trade Receivable significant increase in credit risk	-	-	-	-	-	-	-
Disputed -Trade Receivable credit impaired	-	-	-	-	-	-	-
							5,47,62,268

No trade or other receivables are due from directors or other officers of the Holding Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Cash and cash equivalents

	31 March 2022	31 March 2021
Cash and bank balances		
Balances with banks		
- On current accounts	56,214	8,62,922
Cash on hand	-	-
	56,214	8,62,922



Other assets

Unsecured considered good, unless stated otherwise

	Current	
	31 March 2022	31 March 2021
Advances for supply of services	-	14,739
GST ITC Receivables	53,100	7,200
	<u>53,100</u>	<u>21,939</u>

Share capital

Authorised capital:

	Equity shares	
	No.	Amount
At 01 April 2020	75,00,000	7,50,00,000
Increase / (decrease) during the year	-	-
At 31 March 2021	75,00,000	7,50,00,000
Increase / (decrease) during the year	-	-
At 31 March 2022	<u>75,00,000</u>	<u>7,50,00,000</u>

Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Issued equity capital:

	Issued equity share capital	
	No.	Amount
Issued, subscribed and fully		
At 31 March 2021	65,25,000	6,52,50,000
Changes during the period	-	-
At 31 March 2022	<u>65,25,000</u>	<u>6,52,50,000</u>

(i) Details of shareholders holding more than 5% shares of a class of shares

Name of shareholders	As at 31 March 2022		As at 31 March 2021	
	No.	% holding in the class	No.	% holding in the class
Equity shares of Rs. 10 each fully paid				
Allcargo Logistics Limited	65,24,999	99.99%	65,24,999	99.99%
	<u>65,24,999</u>	<u>99.99%</u>	<u>65,24,999</u>	<u>99.99%</u>

(ii) Reconciliation of number of the equity shares and preference shares outstanding at the beginning and at the end of the year:

	As at 31 March 2022		As at 31 March 2021	
	No.	Amount	No.	Amount
Equity Shares				
At the beginning of the year	65,25,000	6,52,50,000	65,25,000	6,52,50,000
Add: Issued during the period	-	-	-	-
Outstanding at the end of the year	<u>65,25,000</u>	<u>6,52,50,000</u>	<u>65,25,000</u>	<u>6,52,50,000</u>

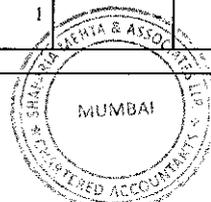
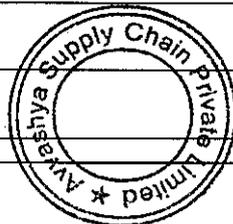
(iii) Details of Promoter shareholding

As at 31 March 2022

Sr. No	Particulars	Name of Promoter	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1	Equity shares of INR 10 each fully paid	Allcargo Logistics Limited	65,24,999	-	65,24,999	99.99%	0.00%
2	Equity shares of INR 10 each fully paid	Shashi Kiran Shetty jointly with Allcargo Logistics Ltd, the holding company	1	-	1	0.01%	0.00%

As at 31 March 2021

Sr. No	Particulars	Name of Promoter	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
1	Equity shares of INR 100 each fully paid	Allcargo Logistics Limited	65,24,999	-	65,24,999	99.99%	0.00%
2	Equity shares of INR 10 each fully paid	Shashi Kiran Shetty jointly with Allcargo Logistics Ltd, the holding company	1	-	1	0.01%	0.00%



Avvashya Supply Chain Private Limited (formerly known as South Asia Terminals Private Limited)
Notes to the financial statements as at and for the year ended 31 March 2022

Other equity

	Amount in Rs.
Surplus in Statement of profit & loss account	(15,26,30,305)
At 01 April 2020	(4,18,51,473)
Add: Profit during the year	(19,44,81,778)
At 31 March 2021	(1,18,58,471)
Add: Profit during the year	(20,63,40,249)
At 31 March 2022	<u>(20,63,40,249)</u>
Total Other Equity	(20,63,40,249)

Long Term Borrowings

	Effective interest rate %	31 March 2022	31 March 2021
Loan repayable On Demand (secured)			
Other loans (unsecured)			
Loan from Related party (refer note. 21)	10.70% p.a upto 30th June 2021 & 7.95% p.a w.e.f 1st July 2021	13,21,46,818	13,20,46,818
		<u>13,21,46,818</u>	<u>13,20,46,818</u>

Short Term Borrowings

	Effective interest rate %	31 March 2022	31 March 2021
Loan repayable On Demand (secured)			
Other loans (unsecured)			
Loan from Related party (refer note. 21)		-	-
		<u>-</u>	<u>-</u>

Trade payables

	31 March 2022	31 March 2021
Total outstanding dues to micro and small enterprises	1,000	43,200
Total Outstanding Dues to creditors other than micro and small enterprises	90,663	59,558
	<u>91,663</u>	<u>1,02,758</u>

Trade Payables Ageing:

As at 31 March 2022

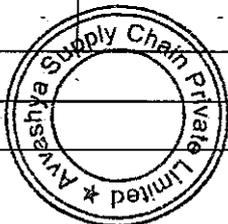
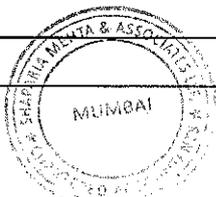
Particulars	Unbilled payables	Current but not due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1 - 2 years	2 - 3 years	More than 3 Years	
Total outstanding dues of micro enterprises and small enterprises	-	-	1,000	-	-	-	1,000
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	90,663	-	-	-	90,663
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
							<u>91,663</u>

As at 31 March 2021

Particulars	Unbilled payables	Current but not due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1 - 2 years	2 - 3 years	More than 3 Years	
Total outstanding dues of micro enterprises and small enterprises	-	-	43,200	-	-	-	43,200
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	59,558	-	-	-	59,558
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
							<u>1,02,758</u>

Other payables

	31 March 2022	31 March 2021
Provision for expenses	38,500	39,500
	<u>38,500</u>	<u>39,500</u>



Other financial liabilities

	Current portion	
	31 March 2022	31 March 2021
Other financial liabilities at amortised cost		
Interest accrued and due on borrowings (refer note. 21)	66,23,778	4,88,30,306
Total other financial liabilities	66,23,778	4,88,30,306

Other liabilities

	Current portion	
	31 March 2022	31 March 2021
Statutory dues payable:		
TDS payable	7,28,923	10,78,693
Others payables (refer note. 21)	25,000	1,91,192
Advance received from related party (refer note. 21)	19,58,702	30,26,956
	27,12,625	42,96,841



Avvashya Supply Chain Private Limited (formerly known as South Asia Terminals Private Limited)
Notes to the financial statements as at and for the year ended 31 March 2022

14 Other Income

	31 March 2022	31 March 2021
Interest income on		
- Income tax refund	-	15,250
	<u>-</u>	<u>15,250</u>

15 Depreciation and amortisation

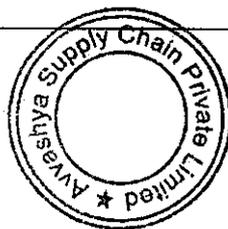
	31 March 2022	31 March 2021
Depreciation of property, plant and equipment (note 2)	-	8,98,623
Amortisation of intangible assets (note 3)	-	-
	<u>-</u>	<u>8,98,623</u>

16 Finance costs

	31 March 2022	31 March 2021
Interest expense		
Interest on loan (refer note. 21)	1,14,04,002	1,41,01,242
Interest on advance (refer note.21)	1,61,323	2,41,325
	<u>1,15,65,325</u>	<u>1,43,42,567</u>

17 Other expenses

	31 March 2022	31 March 2021
Insurance	-	51,913
Rates and taxes	2,500	2,500
Legal and professional fees	2,27,152	12,752
Payment to auditors (refer note below)	40,000	40,000
Loss on sale of assets	-	2,64,62,169
Loss on write-off of assets	-	56,199
	<u>2,69,652</u>	<u>2,66,25,533</u>
Note: Payments to the auditor:	<u>31 March 2022</u>	<u>31 March 2021</u>
As auditor		
Audit fee	40,000	40,000
Tax audit fee	-	-
	<u>40,000</u>	<u>40,000</u>



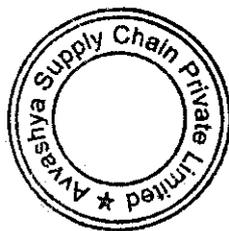
18 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	31 March 2022	31 March 2021
Profit attributable to equity holders:		
Continuing operations	(1,18,58,471)	(4,18,51,473)
Discontinued operation	-	-
Profit attributable to equity holders for basic earnings:	(1,18,58,471)	(4,18,51,473)
Weighted average number of Equity shares for basic and Diluted EPS	65,25,000	65,25,000
Basic and Diluted EPS	(1.82)	(6.41)



Avvashya Supply Chain Private Limited (formerly known as South Asia Terminals Private Limited)
Notes to the financial statements as at and for the year ended 31 March 2022

19 a. Commitments and contingencies

There are no contingencies and commitments as on 31 March 2022.

b. Dues to Micro and small Suppliers

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from 02 October 2006, certain disclosures are required to be made relating to MSME. On the basis of the information and records available with the Company, the following disclosures are made for the amounts due to the Micro and Small Enterprises.

Particulars	31-Mar-22	31-Mar-21
Principal amount remaining unpaid to any supplier as at the period end.	1,000	43,200
Interest due thereon	Nil	Nil
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period.	Nil	Nil
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 period) but without adding the interest specified under the MSMED	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting period.	Nil	Nil
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 disallowances as a deductible expenditure under the MSMED Act, 2006	Nil	Nil

c. Earnings in Foreign Currency :- Nil

d. Expenditure in Foreign Currency :- Nil

e. Fair value

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

	Carrying amount		Fair value		
	As at 31 March 2022	Amortised cost	Level 1	Level 2	Level 3
Financial assets					
Security deposits	-	-	-	-	-
Trade receivables	-	-	-	-	-
Cash and cash equivalents	56,214	56,214	-	-	-
Total	56,214	56,214	-	-	-
Financial liabilities					
Borrowings	13,21,46,818	13,21,46,818	-	-	-
Trade and other payables	1,30,163	1,30,163	-	-	-
Other financial liabilities	66,23,778	66,23,778	-	-	-
Total	13,89,00,758	13,89,00,758	-	-	-

	Carrying amount		Fair value		
	As at 31 March 2021	Amortised cost	Level 1	Level 2	Level 3
Financial assets					
Security deposits	-	-	-	-	-
Trade receivables	5,47,62,268	5,47,62,268	-	-	-
Cash and cash equivalents	8,62,922	8,62,922	-	-	-
Total	5,56,25,190	5,56,25,190	-	-	-
Financial liabilities					
Borrowings	13,20,46,818	13,20,46,818	-	-	-
Trade and other payables	1,42,258	1,42,258	-	-	-
Other financial liabilities	4,88,30,306	4,88,30,306	-	-	-
Total	18,10,19,382	18,10,19,382	-	-	-

The management assessed that carrying value of cash and cash equivalents, trade receivables, trade payables and other financial liabilities approximate their fair value largely due to the short-term maturities of these instruments.

f.

i) Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings.

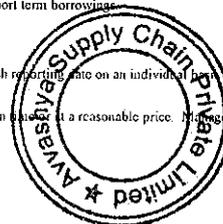
ii) Financial risk management

a. Trade receivables

Outstanding customer receivables are regularly monitored and impairment analysis is performed at each reporting date on an individual basis.

b. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on basis of a reasonable price. Management monitors the Company's net liquidity position through forecasts on the basis of monthly business performance and cashflows.



Avvashya Supply Chain Private Limited (formerly known as South Asia Terminals Private Limited)
Notes to the financial statements as at and for the year ended 31 March 2022

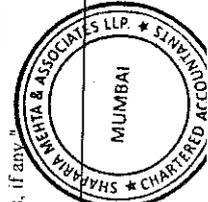
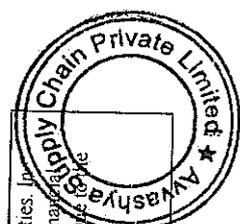
Related party transactions

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List of Related parties				
I. Holding Company				
Allcargo Logistics Limited				
II. Fellow subsidiaries				
Bantwal Warehousing Private Limited				
Summary of transactions with related parties:				
Particulars	Holding Company	Fellow subsidiaries	Bantwal Warehousing Private Limited	31 March 2021
	Allcargo logistics ltd	31 March 2022	31 March 2022	31 March 2021
Interest on loan and advance	1,14,04,002	-	-	1,41,01,242
Interest on advance	1,61,323	-	-	2,41,325
Sales of Fixed Assets	-	-	-	-
Loans				5,51,76,089
Opening balance	13,20,46,818	-	-	-
Add: Loan Taken	1,00,000	-	-	-
Less : Loan repaid	-	-	-	-
Less : loan written back	-	-	-	-
Closing balance	13,21,46,818	-	-	-
Trade Debtors				
Advance received (asset)	19,58,702	-	-	5,47,62,268
Other payables	25,000	-	-	-
Interest Payable	66,23,778	-	-	4,88,30,306

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The Company has assessed the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Receivables, Investments and other assets / liabilities. 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 results has used internal and external sources of Information. As on current date, the Company has concluded that the Impact of COVID - 19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods, if any."



Loan repayable to Holding Company & Demerger plans

The Component owes its Holding Company ACL as at 31st March 2022, a total sum of Rs. 13,87,70,597 (including the interest payable of Rs. 66,23,778). As on the said date the Component does not have sufficient resource to repay the outstanding loan to it Holding Company. The Holding Company, Alcargo Logistics Limited had therefore recorded a provision for impairment as on March 31, 2021 to the extent of difference between the aforesaid consideration for transfer and the outstanding loan amount receivable from the Component. However, the same has been reversed subsequently in the financials statement of the Holding Company as on 31 March 2022 based on the business and action plan described in the subsequent paragraphs.

As at the date of approval of results of the Component, The board of the Directors of Avvashya Supply Chain Private Limited ("ASCPL") has approved the Demerger of Contract Logistics Business between Avvashya CCI Logistics Private Limited ("ACCL") and ASCPL at its meeting held on June 08, 2021, pursuant to which a Scheme Application bearing No. 178 of 2021 was filed with National Company Law Tribunal (NCLT) for which the order was received from NCLT dated January 25, 2022 (the "Order"). The Company has taken necessary action as required by the Order and has filed the Company scheme petition with NCLT on March 10, 2022. The Company is yet to receive final order giving effect to the said Demerger. Hence no impact of the demerger scheme is given in the results. As per the business plan the operating cash flows earned from the said Contract logistics business are sufficient enough to service and will take care of the entire loan obligation towards Parent Company. Hence the Component has not written back any portion of outstanding loan payable to its Parent Company as on March 31, 2022 and considered the same as good and repayable.

Previous year figures have been regrouped/ reclassified in order to bring it in line with the current year grouping and classifications.

For Shaparia Mehta & Associates LLP
 Firm Registration no - 112350W/W100051
 Chartered Accountants

[Signature]



Sanjiv Mehta
 Partner
 Membership No. 034950
 Date : 20th May 2022

For and on behalf of Board of directors of
 Avvashya Supply Chain Private Limited
 CIN No. U52000MH2008PTC179557

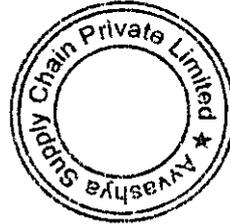
[Signature]

Mr Ravi Jakhar
 Director
 DIN No. 02188690

[Signature]

Sachin Jafar Thange
 Company Secretary
 M No. A.56898

Date : 20th May 2022



Avvashya Supply Chain Private Limited (Formerly known as South Asia Terminal Private Limited)

Notes to the financial statements for the year ended 31 March 2022

1. Significant accounting policies

1.1 (a) Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (the 'Ind AS') notified under the Companies (Indian Accounting Standards) (Amendment) Rules, 2017 under the provisions of the Companies Act, 2013 (the 'Act') and subsequent amendments thereof.

(b) Basis of preparation

The financial statements have been prepared on a historical cost basis, except for the certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) which have been measured at fair value or revalued amount. Historical cost is generally based on fair value of the consideration given in exchange of goods or services. Fair value is the price that would be received to sell the asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Change in name of the company

During the previous year there had been a change in the name of the company from 'South Asia Terminals Private Limited' to 'Avvashya Supply Chain Private Limited'. The new name came into effect after obtaining fresh certificate of Incorporation from Registrar of Companies dated October 23, 2020.

Going Concern

As at 31st March 2022, the accumulated losses have exceeded the net worth of the Component. The Component's net worth stands eroded at Rs. 14.11 crores and the current liabilities exceeds its current assets as at the balance sheet date. However, the management of the Component has future plans to take over the Contract Logistic (CL) business of "Avvashya CCI Logistics Private Limited" (the Joint venture entity of the Holding Company) whose details are mentioned under note no. 23 to the financial statements. Hence, the Component has no intentions of discontinuing its business operations nor does the component have any plans that may materially affect the carrying value or classification of assets and liabilities. The management of the Component believes that the Component will be able to continue to operate as a going concern and meet all its liabilities as they fall due for payment based on the future cash flow projections of CL division (Demerging entity) or unconditional support including infusion of requisite funds from the Holding Company. Accordingly, these financial statement have been prepared on going concern basis and do not include any adjustment relating to the recoverability and classification of recorded assets or to amounts and classification of liabilities that may be necessary, if the component is unable to continue as a going concern.

1.2 Summary of significant accounting policies

a. Use of estimates

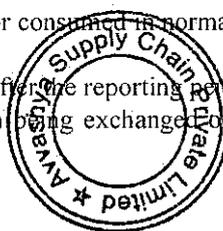
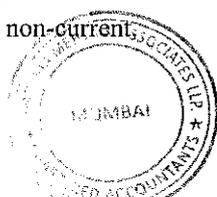
The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

b. Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised 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 other assets are classified as non-current.



Avvashya Supply Chain Private Limited (Formerly known as South Asia Terminal Private Limited)

Notes to the financial statements for the year ended 31 March 2022

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.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c. Fair value measurement

In determining the fair value of its financial instruments, the company uses assumptions that are based on market conditions and risk existing at each reporting date. The method used to determine fair value includes Discounted Cash Flow analysis, available quoted market price and dealer quotes. All methods of assessing fair value result in general approximation of fair value and such value may never be actually realized. For all other financial instruments, the carrying amount approximates Fair Value due to the short maturity of these instruments.

d. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The amount recognised as revenue is exclusive of GST.

Others:

Interest Income is recognised on the time proportion basis.

Dividend income, if any is recognised when the right to receive the payment is established by the balance sheet date.

e. Taxes

Current Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

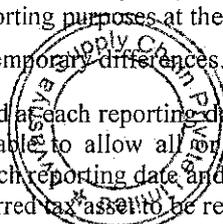
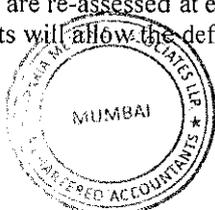
Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.



Avvashya Supply Chain Private Limited (Formerly known as South Asia Terminal Private Limited)

Notes to the financial statements for the year ended 31 March 2022

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

f. Property, plant and equipment

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use. Borrowing cost relating to acquisition of tangible assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

The Company identifies and determines cost of each component / part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Depreciation

The Company provides depreciation on property, plant and equipment using the Straight Line Method, based on the useful lives estimated by the management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The management has estimated the useful lives of all its tangible assets.

The Company has used the following rates to provide depreciation on the tangible assets:

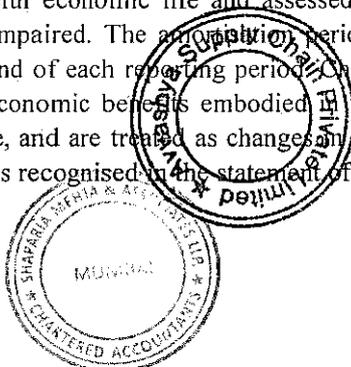
Category	Useful lives (in years)
Building	Over the lease term
Plant and machinery	5-15
Furniture and fixtures	10
Computers	3
Office equipments	5

Tangible asset held for sale is valued at lower of their carrying amount and net realisable value. Any write-down is recognized in the statement of profit and loss.

g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.



Avvashya Supply Chain Private Limited (Formerly known as South Asia Terminal Private Limited)

Notes to the financial statements for the year ended 31 March 2022

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Intangible assets are amortised on a straight line basis method basis the life estimated by the management.

Asset Class	Useful life (in years)
Computer Software	6

h. Impairment of non-financial assets

The Company assesses Property, plant and equipment and intangible asset with finite life, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

i. Borrowing costs

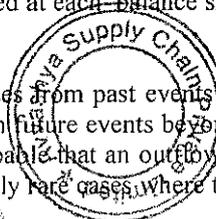
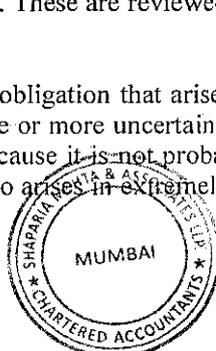
Borrowing costs includes interest and amortisation of ancillary cost over the period of loans which are incurred in connection with arrangements of borrowings.

Borrowing costs that are attributable to the acquisition, construction of qualifying assets are treated as direct cost and are considered as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed beyond reasonable time due to other than temporary interruption. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

j. Provisions and Contingent Liability

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised



Avvashya Supply Chain Private Limited (Formerly known as South Asia Terminal Private Limited)

Notes to the financial statements for the year ended 31 March 2022

because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

k. Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are 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 recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

a. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

b. Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

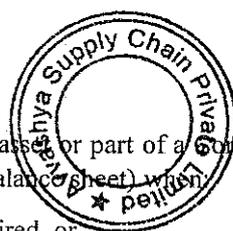
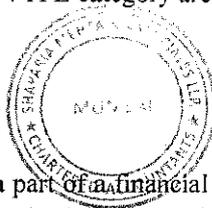
If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred the financial assets and the transfer qualifies for derecognition under Ind AS 109.



Avvashya Supply Chain Private Limited (Formerly known as South Asia Terminal Private Limited)

Notes to the financial statements for the year ended 31 March 2022

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets which are not fair valued through statement of profit and loss. Provision for trade receivables is continued to be measured and provided for debtors exceeding 180 days from its due date. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

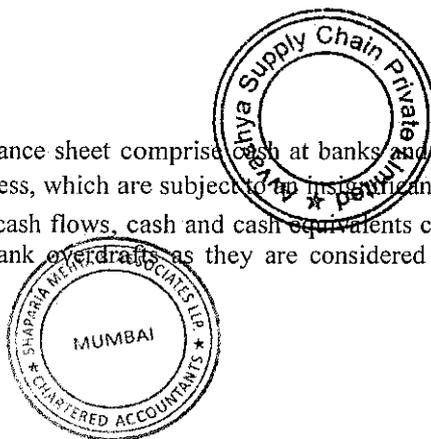
Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

1. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subjected to insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.



Avvashya Supply Chain Private Limited (Formerly known as South Asia Terminal Private Limited)

Notes to the financial statements for the year ended 31 March 2022

m. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated in the Cash flow statement.

n. Earning per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted for the proceeds receivable had the equity shares been actually issued at fair value. Dilutive potential equity shares are deemed converted at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus share issues including for changes effected prior to the approval of the financial statements by the board of directors.



SHARDA MENTA & ASSOCIATES LLP
MUMBAI
CHARTERED ACCOUNTANTS

Avvashya Supply Chain Private Limited

Avvashya Supply Chain Private Limited

(Formerly South Asia Terminals Private Limited)

BOARD'S REPORT

To
The Members of
AVVASHYA SUPPLY CHAIN PRIVATE LIMITED

The Directors present their 14th Annual Report together with the Audited Financial Statements for the financial year ended March 31, 2022.

Financial Highlights:

(Amount in Rs.)

Particulars	March 31, 2022	March 31, 2021
Income		
Revenue from Operations	-	-
Other Income	-	-
Finance income	-	15,250
Total income	-	15,250
Expenses		
Depreciation and amortization expenses	-	8,98,623
Finance costs	1,15,65,325	1,43,42,567
Other expenses	2,69,652	2,66,25,533
Total expenses	1,18,34,977	4,18,66,723
Profit before tax	(1,18,34,977)	(4,18,51,473)
Tax expense:		
Taxes for earlier Years	23,494	-
Total tax expense	23,494	-
Profit for the year (A)	(1,18,58,471)	(4,18,51,473)
Total Comprehensive income for the year, net of tax (A) + (B)	(1,18,58,471)	(4,18,51,473)

Pursuant to the provisions of the Companies Act, 2013 (the "Act"), the Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

State of Affairs

The Loss after taxes was Rs. 1,18,58,471/- in FY2021-22 as compared to Loss after taxes Rs. 4,18,51,473/- in the previous year.

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(Formerly South Asia Terminals Private Limited)

Change in the Nature of Business

During the year under review, there was no change in the nature of business or operation of the Company which impacted the financial position of the Company.

Dividend

With a view of the loss to the Company, the Directors do not recommend any dividend for the financial year ended March 31, 2022.

Details of Subsidiary/Joint Ventures/Associate Companies

The Company has no subsidiaries/joint venture/associate companies. Hence, the provisions of Section 129 of the Act read with Rules framed thereunder are not applicable to the Company.

Holding Company

The Company is a wholly owned subsidiary of Allcargo Logistics Limited.

Share Capital

During the year under review, the Company has not issued any shares and hence there is no change in the issued, subscribed and paid-up share capital of the Company.

The issued, subscribed and paid-up share capital of the Company as on March 31, 2022 was Rs. 6,52,50,000/- (Rupees Six Crore Fifty Two Lakh Fifty Thousand only) consisting of 65,25,000, Equity shares of Rs. 10/- each.

Public Deposits

During the year under review, the Company has not accepted, invited and received any deposits from the public within the meaning of Sections 73 and 76 of the Act and Rules framed thereunder.

Annual Return

As per the provision of Section 134(3)(a) of the Act, the Company is required to provide web address, if any, where the Annual Return as prepared under Section 92(3) has been placed. The Company does not maintain a website hence is not required to provide web address, however the Annual Return will be filed with Registrar of Companies within the prescribed timelines as provided under the Act.

Board of Directors

- a. **Composition:** The Board of Directors of the Company comprises of Three Non-Executive Directors - Mr Adarsh Hegde (DIN: 00035040), Mr. Ravi Jakhar (DIN: 02188690) and Mr Vaishnavkiran Shetty (DIN: 07077444).

Note: Mr Vaishnavkiran Shetty was appointed as the Additional Director of the Company on April 18, 2022

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Company Secretary

Ms Neha Pokhrana (Membership No. A40082) Company Secretary of the Company resigned w.e.f July 05, 2021. Mr Sadik Jafar Thange was appointed as the Company Secretary of the Company w.e.f. July 05, 2021.

- b. **Directors Retiring by Rotation:** In accordance with the provisions of the Act Mr Adarsh Hegde (DIN: 00035040), Director of the Company retires by rotation at the ensuing Annual General Meeting ("AGM") and being eligible, offers himself for re-appointment. The Board recommends his re-appointment as Director liable to retire by rotation at the ensuing AGM of the Company.
- c. **Board Meetings:** During the year under review, the Board met 5 (Five) times on May 21, 2021, June 08, 2021, July 05, 2021, October 19, 2021 and February 07, 2022. Details of attendance of the Directors at each of the Board meetings are as given below:

Sr. No.	Name of Director	No. of Board Meeting held	No. of Board Meeting attended
1.	Mr Adarsh Hegde (DIN: 00035040)	5	5
2.	Mr. Ravi Jakhar (DIN: 02188690)	5	5

Committees of the Board

The Company was not required to constitute any statutory committees of the Board under the relevant provisions of the Act and Rules framed thereunder during the year under review.

Directors' Responsibility Statement

Pursuant to Section 134 (3) (c) read with Section 134(5) of the Act, the Board to the best of their knowledge and ability confirm that:-

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the loss for that year;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis; and

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e) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Auditors

M/s. Shaparia Mehta & Associates, LLP Chartered Accountants (Firm Registration No. 112350W/W-100051) ("SMCA"), were appointed as the Statutory Auditors of the Company by the Members of the Company at the 8th AGM held on September 30, 2016 for a period of five years from the conclusion of 8th AGM till the conclusion of 13th AGM in accordance with the provisions of Section 139 of the Act.

Further SMCA was re-appointed as the Statutory Auditors for the period of 5 year beginning from FY 2021-22 till FY 2025-26 at the AGM held in the year 2021.

Auditors' Report

The Reports of the Statutory Auditors along with notes on the Financial Statements are enclosed to this Report. The observations made in the Auditors' Report are self explanatory and do not call for any further comments.

The Auditors' Reports do not contain any qualification, reservation, adverse remark or disclaimer.

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Board under Section 143(12) of the Act and Rules framed thereunder.

Corporate Social Responsibility (CSR)

As per the provisions of Section 135 of the Act and Rules framed thereunder, the Company is not required to constitute the CSR Committee and spend amount on CSR activities.

Particulars of Loans, Guarantees Securities and Investments

During the year under review, the Company has not given loans or provided guarantees/securities or made investments.

Particulars of Contracts or Arrangements with Related Parties

During the year under review, all related party transactions that were entered into by the Company as referred to in Section 188 of the Act were in the ordinary course of the business and at arm's length basis.

All material related party transactions were carried out at arms length during the period under review which are mentioned in Form AOC-2 enclosed as Annexure -1. Further, the related party transactions that were entered into by the Company during the FY2021-2022 are given in the notes to Financial Statements as per Ind-AS, which form part of this Annual Report.

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Material changes and commitments, affecting the financial position of the Company

There are no material changes and commitments, affecting the financial position of the Company subsequent to close of FY2021-2022 till the date of this Report.

Significant and Material orders passed by the Regulators or Courts or Tribunals

During the year under review, no significant material orders have been passed by any Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

Risk Management Policy

The Company is a wholly owned subsidiary of Allcargo Logistics Limited and it has been covered under the Risk Management exercise carried out by the Holding Company. There are systems in place which helps to identify, evaluate, monitor, control, manage, minimize and mitigate identifiable business risks.

The purpose of risk management is to achieve sustainable business growth, protect Company's assets, safeguard shareholder investments, ensure compliance with applicable laws and regulations and avoid major surprises of risks.

Internal Financial Controls and their adequacy with reference to the Financial Statements

The Board has laid down Internal Financial Controls and believes that the same are commensurate with the nature and size of the business. The Company has adopted such policies and procedures for ensuring the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, which represents true and fair view of the Company's operation. The Company continuously checks and assesses the effectiveness and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

Particulars of Employees

During the year under review, the Company does not have any employee, who was in receipt of remuneration as prescribed in Section 197(12) of the Act read with Rules framed thereunder.

Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company is a wholly-owned subsidiary of Allcargo Logistics Limited which is part of the Avvashya Group. The Avvashya Group has adopted an Anti-Sexual Harassment Policy which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and all group companies are covered therein. During the year under review, the Company has not received any complaints of sexual harassment of women at workplace.

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Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

A. Conservation of Energy:

(i) The steps taken or impact on conservation of energy:

Even though operation of the Company is not energy intensive, the Company has always strived to optimize energy consumption.

(ii) The steps taken by the Company for utilizing alternate sources of energy:

Nil

(iii) The capital investment on energy conservation equipment:

During the year under review, the Company has not made any investment on energy conservation equipment.

B. Technology Absorption:

(i) The efforts made towards technology absorption and the benefits derived like product improvement, cost reduction, product development or import substitution:

During the year under review, the Company has not carried out any activities involving technology absorption.

(ii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

The Company has not imported any technology during the period of last three years.

(iii) The expenditure incurred on Research and Development.

During the year under review, the Company has not incurred any expenditure on the research & development activities of the Company.

C. Foreign Exchange Earnings & Outgo:

Foreign Exchange Earnings : Nil

Foreign Exchange Outgo : Nil

Compliance of Secretarial Standards

The Company is in compliance with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India

Acquisition of Contract Logistics Business:

The Company is in the advance stage of discussion to acquire the Contract Logistics Business from Avvashya CCI Logistics Private Limited through the Scheme of Arrangement (Demerger). The final approval from the Hon'ble National Company Law Tribunal on the Scheme of Arrangement (Demerger) is yet to be received.

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Acknowledgements

The Directors take this opportunity to place on record their gratitude for the valuable support and co-operation extended by the Government, the stakeholders, business associates, banks, customers, vendors and service providers during the year under review.

For and on behalf of the Board of Directors
Avvashya Supply Chain Private Limited



Adarsh Hedge
Director
(DIN: 00035040)



Ravi Jakhar
Director
(DIN: 02188690)

Date: May 20, 2022

Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To the Members of Avvashya Supply Chain Private Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of Avvashya Supply Chain Private Limited ("the Company"), which comprise the Balance sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 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 31 March 2021, its loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date which are designed to prepare the Consolidated Ind AS Financial Statements of Allcargo Logistics Limited as at 31 March 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.



Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusions 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 the 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Standalone Financial Statements

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

- Identify and assess the risks of material misstatement of the Ind AS 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Other Matters

- (a) This report is issued solely for the purpose of inclusion in the Consolidated Ind AS Financial Statement of Allcargo Logistics Limited. This report may not be useful for any other purpose.
- (b) Due to the Covid-19 Pandemic and the lockdown and other restrictions imposed by the Government and local administration, the audit process were carried out based on the remote access of the data and records as provided and made available by the management through digital medium and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on the financial statements. We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions. Our audit opinion is not modified in respect of the above.



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 Companies Act, 2013, 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, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Shaparia Mehta & Associates LLP
Chartered Accountants
(Firm's Registration No. 112350W/ W-100051)




Sanjiv Mehta
Partner

Membership No. 034950

Mumbai, 21st May, 2021

UDIN: 21034950AAAADU4205

UDIN date: 04th June, 2021

Annexure A to the Independent Auditor's Report

The Annexure referred to in our Independent Auditor's Report to the members of Avvashya Supply Chain Private Limited (the "Company") on the Ind AS financial statements for the year ended March 31, 2021, we report that:

- (i) In respect of its fixed assets, the Company has sold all its fixed assets and immovable property which it held as at the beginning of the year. Therefore, reporting under this clause is not applicable to the Company. For details refer note no. 2 to the financial statements.
- (ii) The company is a service company and does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not granted loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (b) and iii (c) of the order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not given loans, guarantees, and security, or invested in other companies covered under section 185 and 186 during the period under audit. Consequently, provision of this clause of the order is not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us the Company has not accepted any deposits from the public so as to require any compliance of the directives of Reserve Bank of India or the provisions of section 73 or 76 of the Companies Act, 2013. As explained to us, the Company has not received any order passed by the Company Law Board or the National Company Law Tribunal or any court or other forum.
- (vi) According to the information and explanation given to us, maintenance of cost records is not applicable to the Company.
- (vii) In respect of its statutory dues:
 - (a) In our opinion and according to the information and explanations given to us, the Company is normally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, TDS, GST, Profession tax, cess and any other applicable statutory dues to the appropriate authorities. There is no outstanding statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there are no disputed dues of income tax, GST which have not been deposited with the appropriate authority on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not taken any loans from banks or financial institutions during the year, accordingly paragraph 3(viii) of the order is not applicable to the Company.
- (ix) The Company has not raised any money by way of initial public offer or term loans, accordingly paragraph 3(ix) of the order is not applicable to the Company.



- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit nor have we been informed of such case by the management.
- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company is not a public Company and thus the provisions of Section 197 read with Schedule V of the Act is not applicable to the Company. Accordingly, para 3(xi) of the Order is not applicable to the Company.
- (xii) The Company is not a Nidhi Company as defined under section 406 of the Companies Act, 2013. Accordingly, para 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties during the current audit year are in compliance with section 177 and 188 of Companies Act, 2013. The Company has complied with the requirement disclosing the details in the Ind AS Financial Statements and as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Hence, para 3(xiv) of the Order is not applicable to the Company.
- (xv) On the basis of information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, para (xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, para (xvi) of the Order is not applicable to the Company.

For Shaparia Mehta & Associates LLP
Chartered Accountants
(Firm's Registration No. 112350W/ W-100051)


Sanjiv Mehta
Partner



Membership No. 034950
Mumbai, 21st May, 2021
UDIN: 21034950AAAADU4205
UDIN date: 04th June, 2021

Annexure - B to the Independent Auditor's Report

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")

1. We have audited the internal financial controls over financial reporting of Avvashya Supply Chain Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended and as at on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls with reference to Ind AS financial statements

5. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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

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

Opinion

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

For Shaparia Mehta & Associates LLP
Chartered Accountants
(Firm's Registration No. 112350W/ W-100051)



Sanjiv Mehta
Partner
Membership No. 034950
Mumbai, 21st May, 2021
UDIN: 21034950AAAADU4205
UDIN date: 04th June, 2021

Avvashya Supply Chain Private Limited (Formerly known as South Asia Terminal Private Limited)

Notes to the financial statements for the year ended 31 March 2021

1. Significant accounting policies

1.1 (a) Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (the 'Ind AS') notified under the Companies (Indian Accounting Standards) (Amendment) Rules, 2017 under the provisions of the Companies Act, 2013 (the 'Act') and subsequent amendments thereof.

(b) Basis of preparation

The financial statements have been prepared on a historical cost basis, except for the certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) which have been measured at fair value or revalued amount. Historical cost is generally based on fair value of the consideration given in exchange of goods or services. Fair value is the price that would be received to sell the asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Change in name of the company

During the year there has been a change in the name of the company from 'South Asia Terminals Private Limited' to 'Avvashya Supply Chain Private Limited'. The new name came into effect after obtaining fresh certificate of Incorporation from Registrar of Companies dated October 23, 2020.

Going Concern

As at 31st March 2021, the accumulated losses have exceeded the net worth of the Company. The Company's net worth stands eroded at Rs. 12.92 crores and the current liabilities exceeds its current assets as at the balance sheet date. However, the management of The Company as its future plans (the Resulting Company), has decided to take over the Contract Logistic (CL) Business of one of the Joint Venture entity of the Holding Company namely 'Avvashya CCI Logistics Private Limited' (hereinafter referred to as demerged Company) on going concern basis for which its board of directors in its ensuing meeting will propose to approve/ give consent to execute the scheme of demerger under Sections 230 to 240 of The Companies Act, 2013 subject to the approval of the National Company Law Tribunal ("NCLT") and other requisite approvals. In the Board meeting of the demerged Company the members will give approval/consent on detailed business plan of Contract Logistics business as well as give their consent on the valuation of shares and calculation of share exchange ratio based on independent Valuers' report which will be placed before it in the ensuing meeting. Subsequent to the said approval, the board of directors of the Parent Company in its ensuing meeting will propose to approve and ratify the said Contract logistics business plan of demerged Company and share exchange ratio agreed between shareholders of demerged Company."

1.2 Summary of significant accounting policies

a. Use of estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

b. Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised 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 other assets are classified as non-current.

Avvashya Supply Chain Private Limited (Formerly known as South Asia Terminal Private Limited)

Notes to the financial statements for the year ended 31 March 2021

A liability is current when:

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c. Fair value measurement

In determining the fair value of its financial instruments, the company uses assumptions that are based on market conditions and risk existing at each reporting date. The method used to determine fair value includes Discounted Cash Flow analysis, available quoted market price and dealer quotes. All methods of assessing fair value result in general approximation of fair value and such value may never be actually realized. For all other financial instruments, the carrying amount approximates Fair Value due to the short maturity of these instruments.

d. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The amount recognised as revenue is exclusive of GST.

Others:

Interest Income is recognised on the time proportion basis.

Dividend income, if any is recognised when the right to receive the payment is established by the balance sheet date.

e. Taxes

Current Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Avvashya Supply Chain Private Limited (Formerly known as South Asia Terminal Private Limited)

Notes to the financial statements for the year ended 31 March 2021

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

f. Property, plant and equipment

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use. Borrowing cost relating to acquisition of tangible assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

The Company identifies and determines cost of each component / part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Depreciation

The Company provides depreciation on property, plant and equipment using the Straight Line Method, based on the useful lives estimated by the management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The management has estimated the useful lives of all its tangible assets.

The Company has used the following rates to provide depreciation on the tangible assets:

Category	Useful lives (in years)
Building	Over the lease term
Plant and machinery	5-15
Furniture and fixtures	10
Computers	3
Office equipments	5

Tangible asset held for sale is valued at lower of their carrying amount and net realisable value. Any write-down is recognized in the statement of profit and loss.

g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Avvashya Supply Chain Private Limited (Formerly known as South Asia Terminal Private Limited)

Notes to the financial statements for the year ended 31 March 2021

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Intangible assets are amortised on a straight line basis method basis the life estimated by the management.

Asset Class	Useful life (in years)
Computer Software	6

h. Impairment of non-financial assets

The Company assesses Property, plant and equipment and intangible asset with finite life, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

i. Borrowing costs

Borrowing costs includes interest and amortisation of ancillary cost over the period of loans which are incurred in connection with arrangements of borrowings.

Borrowing costs that are attributable to the acquisition, construction of qualifying assets are treated as direct cost and are considered as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed beyond reasonable time due to other than temporary interruption. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

j. Provisions and Contingent Liability

A provision is recognised when the Company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised

Avvashya Supply Chain Private Limited (Formerly known as South Asia Terminal Private Limited)

Notes to the financial statements for the year ended 31 March 2021

because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

k. Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are 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 recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

a. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

b. Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred the financial assets and the transfer qualifies for derecognition under Ind AS 109.

Avvashya Supply Chain Private Limited (Formerly known as South Asia Terminal Private Limited)

Notes to the financial statements for the year ended 31 March 2021

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets which are not fair valued through statement of profit and loss. Provision for trade receivables is continued to be measured and provided for debtors exceeding 180 days from its due date. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

I. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

Avvashya Supply Chain Private Limited (Formerly known as South Asia Terminal Private Limited)

Notes to the financial statements for the year ended 31 March 2021

m. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated in the Cash flow statement.

n. Earning per equity share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted for the proceeds receivable had the equity shares been actually issued at fair value. Dilutive potential equity shares are deemed converted at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus share issues including for changes effected prior to the approval of the financial statements by the board of directors.



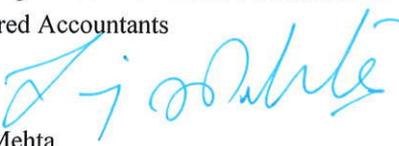
Avvashya Supply Chain Private Limited (formerly known as South Asia Terminals Private Limited)
Balance sheet as at 31 March 2021

	Notes	31 March 2021	31 March 2020
Assets			
Non-current assets			
Property, plant and equipment (net)	2	0	8,25,93,080
Intangible assets	3	-	-
Non-current tax assets (net)	4	4,37,315	7,86,044
Total - Non-current assets		4,37,315	8,33,79,125
Financial assets			
Trade and other receivables	5	5,47,62,268	-
Cash and cash equivalents	6	8,62,922	1,37,035
Other current assets	7	21,939	72,399
Total - Current assets		5,56,47,129	2,09,434
Total Assets		5,60,84,445	8,35,88,559
Equity and Liabilities			
Equity			
Equity share capital	8	6,52,50,000	6,52,50,000
Other equity	9	(19,44,81,778)	(15,26,30,305)
Equity attributable to equity holders of the parent		(12,92,31,778)	(8,73,80,305)
Non-controlling interests		-	-
Total Equity		(12,92,31,778)	(8,73,80,305)
Current liabilities			
Financial liabilities			
Borrowings	10	13,20,46,818	13,20,46,818
Trade payables	11.1	1,02,758	46,806
Other payables	11.2	39,500	36,000
Other financial liabilities	12	4,88,30,306	3,55,63,430
Other current liabilities	13	42,96,841	32,75,810
Total - Current liabilities		18,53,16,222	17,09,68,863
Total equity and liabilities		5,60,84,445	8,35,88,559
Significant accounting policies	1		
Notes to the financial statements	2-23		

The notes referred to above are an integral part of these financial statements

As per our report of even date attached

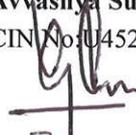
For Shaparia Mehta & Associates LLP
 Firm Registration no - 112350W/W100051
 Chartered Accountants


 Sajiv Mehta
 Partner
 Membership No. 034950

Date: May 21, 2021



For and on behalf of Board of directors of
Avvashya Supply Chain Private Limited
 CIN No: U45200MH2008PTC179557


 Adarsh Hegde
 Director
 DIN No: 00035040


 Mr Ravi Jakhar
 Director
 DIN No: 02188690


 Neha Pokhrana
 Company Secretary
 M No. A40082

Avvashya Supply Chain Private Limited (formerly known as South Asia Terminals Private Limited)
Statement of Profit and Loss for the year ended 31 March 2021

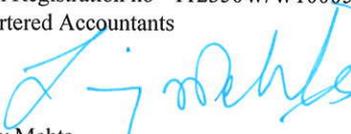
	Notes	31 March 2021	31 March 2020
Continuing Operations			
Income			
Other Income	14	15,250	7,676
Total income		<u>15,250</u>	<u>7,676</u>
Expenses			
Depreciation and amortisation expenses	15	8,98,623	61,07,133
Finance costs	16	1,43,42,567	1,42,53,069
Other expenses	17	2,66,25,533	1,07,691
Total expenses		<u>4,18,66,723</u>	<u>2,04,67,893</u>
Profit before share of profit of associates and joint ventures and tax from continuing operations		<u>(4,18,51,473)</u>	<u>(2,04,60,217)</u>
Share of profits of associates and joint ventures		-	-
Profit before tax		<u>(4,18,51,473)</u>	<u>(2,04,60,217)</u>
Tax expense:			
Current tax		-	-
Total tax expense		<u>-</u>	<u>-</u>
Profit for the year from Continuing Operation (i)		<u>(4,18,51,473)</u>	<u>(2,04,60,217)</u>
Discontinued operations			
Profit/(loss) before tax for the year from discontinued operations		-	-
Tax Income/ (expense) of discontinued operations		-	-
Profit/ (loss) for the year from discontinued operations (ii)		<u>-</u>	<u>-</u>
Profit for the year (A)		<u>(4,18,51,473)</u>	<u>(2,04,60,217)</u>
Other Comprehensive Income:			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement gain/(losses) on defined benefit plans		-	-
Income tax effect		-	-
Other Comprehensive Income for the year, net of tax (B)		<u>-</u>	<u>-</u>
Total Comprehensive income for the year, net of tax (A) + (B)		<u>(4,18,51,473)</u>	<u>(2,04,60,217)</u>
Earnings per equity share (nominal value of Rs 10 each)		<u>(6.41)</u>	<u>(3.14)</u>
Basic and diluted	18		

Significant accounting policies 1
Notes to the financial statements 2-23

The notes referred to above are an integral part of these financial statements

As per our report of even date attached

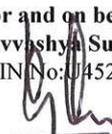
For Shaparia Mehta & Associates LLP
Firm Registration no - 112350W/W100051
Chartered Accountants


Sajiv Mehta
Partner
Membership No. 034950

Date: May 21, 2021



For and on behalf of Board of directors of
Avvashya Supply Chain Private Limited
CIN No: U45200MH2008PTC179557


Adarsh Hegde
Director
DIN No: 00035040


Mr Ravi Jakhar
Director
DIN No: 02188690


Neha Pokhrana
Company Secretary
M No. A40082

Avvashya Supply Chain Private Limited (formerly known as South Asia Terminals Private Limited)
Statement of Changes in Equity for the year ended 31 March 2021

(A) Equity Share Capital:

Equity shares of INR 10 each issued, subscribed and fully paid
At 31 March 2019
Issue of share capital
At 31 March 2020
Issue of share capital
At 31 March 2021

	No.	Amount
At 31 March 2019	65,25,000	6,52,50,000
Issue of share capital	-	-
At 31 March 2020	65,25,000	6,52,50,000
Issue of share capital	-	-
At 31 March 2021	65,25,000	6,52,50,000

(B) Other Equity:

For the year ended 31 March 2021

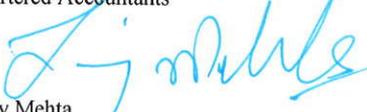
Particulars	Reserves & Surplus	
	Balance in Statement of Profit and Loss	Total Other Equity
As at 31st March 2020	(15,26,30,305)	(15,26,30,305)
Net Profit for the period	(4,18,51,473)	(4,18,51,473)
Total comprehensive income	(19,44,81,778)	(19,44,81,778)
As at 31 March 2021	(19,44,81,778)	(19,44,81,778)

For the year ended 31 March 2020

Particulars	Reserves & Surplus	
	Balance in Statement of Profit and Loss	Total Other Equity
As at 31st March 2019	(13,21,70,088)	(13,21,70,088)
Net Profit for the period	(2,04,60,217)	(2,04,60,217)
Total comprehensive income	(15,26,30,305)	(15,26,30,305)
As at 31 March 2020	(15,26,30,305)	(15,26,30,305)

As per our report of even date attached

For Shaparia Mehta & Associates LLP
Firm Registration no - 112350W/W100051
Chartered Accountants


Sajiv Mehta
Partner
Membership No. 034950

Date: May 21, 2021

For and on behalf of Board of directors of
Avvashya Supply Chain Private Limited
CIN No. U45200MH2008PTC179557


Adarsh Hegde
Director
DIN No: 00035040


Mr Ravi Jakhar
Director
DIN No: 02188690


Neha Pokhrana
Company Secretary
M No. A40082



Avvashya Supply Chain Private Limited (formerly known as South Asia Terminals Private Limited)
Statement of Cash Flows for the period ended 31 March 2021

	<u>31 March 2021</u>	<u>31 March 2020</u>
Operating activities		
Profit before tax from continuing operations	(4,18,51,473)	(2,04,60,217)
Profit before tax from discontinued operations	-	-
Profit before tax	<u>(4,18,51,473)</u>	<u>(2,04,60,217)</u>
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	8,98,623	60,70,862
Amortisation of intangible assets	-	36,271
Interest expense	1,43,42,567	1,42,53,069
Loss on assets write off	56,199	-
Loss on sale of assets	2,64,62,169	-
Working capital adjustments:		
Decrease / (increase) in trade receivables	(5,47,62,268)	-
Decrease / (increase) in other current and non current assets	8,13,010	2,38,508
(Decrease)/ Increase in trade payables	59,452	8,87,119
(Decrease)/ Increase in other current and non current liabilities	10,21,031	4,79,830
Cash generated from / (used in) operating activities	<u>(5,29,60,691)</u>	<u>15,05,442</u>
Income tax paid (including TDS) (net)	(4,13,821)	-
Net cash flows from/ (used in) operating activities (A)	<u>(5,33,74,512)</u>	<u>15,05,442</u>
Investing activities		
Proceeds from sale of property, plant and equipment	5,51,76,089	-
Net cash flows from / (used in) investing activities (B)	<u>5,51,76,089</u>	<u>-</u>
Financing activities		
Finance costs	(10,75,691)	(14,25,307)
Net cash flows from / (used in) financing activities (C)	<u>(10,75,691)</u>	<u>(14,25,307)</u>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	<u>7,25,888</u>	<u>80,135</u>
Opening balance of cash and cash equivalents (refer note 6)	1,37,035	56,900
Cash and cash equivalents at the end (refer note 6)	<u>8,62,922</u>	<u>1,37,035</u>
Balance with Bank		
- On current accounts	8,62,922	1,37,035
Cash in hand	-	-
	<u>8,62,922</u>	<u>1,37,035</u>

As per our report of even date attached

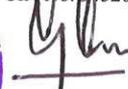
For Shaparia Mehta & Associates LLP
 Firm Registration no - 112350W/W100051
 Chartered Accountants

Sajiv Mehta
 Partner
 Membership No. 034950

Date: May 21, 2021



For and on behalf of Board of directors of
 Avvashya Supply Chain Private Limited
 CIN No: U45200MH2008PTC179557


 Adarsh Hegde
 Director
 DIN No: 00035040


 Mr Ravi Jakhar
 Director
 DIN No: 02188690


 Neha Pokhrana
 Company Secretary
 M No. A40082

2 Property, Plant and Equipment

Description Cost or Valuation	Building	Plant and machinery	Office Equipment	Computers	Furniture & fixtures	Total
Balance as at 31 March 2019	10,43,46,898	97,68,548	2,83,566	5,25,434	93,999	11,50,18,445
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-
Balance as at 31 March 2020	10,43,46,898	97,68,548	2,83,566	5,25,434	93,999	11,50,18,445
Additions	-	-	-	-	-	-
Disposals (refer note 1)	(10,43,46,898)	(97,68,548)	-	-	-	(11,41,15,446)
Adjustment/ asset write off (refer note 2)	-	-	(2,83,566)	(5,25,434)	(93,999)	(9,02,999)
Exchange differences	-	-	-	-	-	-
Balance as at 31 March 2021	-	-	-	-	-	-
Depreciation and impairment						
Balance as at 31 March 2019	1,90,42,071	65,80,396	2,15,453	4,54,996	61,586	2,63,54,503
Depreciation for the year	47,70,293	12,33,504	36,056	18,003	13,006	60,70,862
Disposals	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	-
Balance as at 31 March 2020	2,38,12,364	78,13,900	2,51,509	4,72,999	74,592	3,24,25,365
Depreciation for the year	7,82,016	68,907	23,590	17,954	6,156	8,98,623
Disposals (refer note 1)	(2,45,94,380)	(78,82,807)	-	-	-	(3,24,77,188)
Adjustment/ asset write off (refer note 2)	-	-	(2,75,099)	(4,90,953)	(80,748)	(8,46,800)
Exchange differences	-	-	-	-	-	-
Balance as at 31 March 2021	-	-	-	-	-	-0
Net book value						
As at 31 March 2021	-	-	-	-	-	0
As at 31 March 2020	8,05,34,534	19,54,648	32,057	52,435	19,407	8,25,93,080

Note 1: Sale of Building premises & Plant and Machinery

The Board of directors of the Company in their meeting held on April 20, 2020 had given its approval for the sale and transfer of building property situated at Plot No.13B in the industrial area of Kheda, Pithampur, Tehsil & district – Dhār, State – Madhya Pradesh to Bantwal Warehousing Private Limited. Accordingly the Company has executed requisite definitive transaction documents and transferred the said property for Rs 55,176,089 as per valuation done by the independent third party valuer namely Colliers International (India) Property Services Pvt. Ltd. as per the valuation model prescribed by the relevant valuation standards.

Note 2: Remaining Assets write off

The Company has write off office equipment, computers and furniture & fixtures as on 31 March 2021 since all its primary assets are sold to Bantwal Warehousing Private Limited on 01st June 2020.

3 Intangible assets

Description	Computer software
Gross Block	
Balance as at 31 March 2019	5,80,545
Additions	-
Disposals	-
Discontinued operations	-
Exchange differences	-
Balance as at 31 March 2020	5,80,545
Additions	-
Disposals	-
Exchange differences	-
Balance as at 31 March 2021	5,80,545
Amortisation	
Balance as at 31 March 2019	5,44,275
Amortisation	36,271
Accumulated amortisation on disposals	-
Discontinued operations	-
Exchange differences	-
Balance as at 31 March 2020	5,80,545
Amortisation	-
Accumulated amortisation on disposals	-
Exchange differences	-
Balance as at 31 March 2021	5,80,545
Net book value	
As at 31 March 2021	-
As at 31 March 2020	-

4 Non-current tax Assets (net)

	31 March 2021	31 March 2020
Advance tax recoverable (net of provision for tax)	4,37,315	7,86,044
	<u>4,37,315</u>	<u>7,86,044</u>

5 Trade and other receivables

	31 March 2021	31 March 2020
Trade receivables	-	-
Other Receivables from related parties (Refer note. 20)	5,47,62,268	-
Total trade receivables	<u>5,47,62,268</u>	<u>-</u>
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured	5,47,62,268	-
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired	-	-
	<u>5,47,62,268</u>	<u>-</u>
Provision for doubtful receivables	-	-
Total trade and other receivables	<u>-</u>	<u>-</u>

No trade or other receivables are due from directors or other officers of the Holding Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

6 Cash and bank balances

	31 March 2021	31 March 2020
Cash and cash equivalents		
Balances with banks		
- On current accounts	8,62,922	1,37,035
Cash on hand	-	-
	<u>8,62,922</u>	<u>1,37,035</u>

7 Other assets

Unsecured considered good, unless stated otherwise

	Current	
	31 March 2021	31 March 2020
Advances for supply of services	14,739	72,399
GST ITC Receivables	7,200	-
	<u>21,939</u>	<u>72,399</u>

8 Share capital

Authorised capital:		Equity shares		
		No.	Amount	
At 01 April 2019		75,00,000	7,50,00,000	
Increase / (decrease) during the year		-	-	
At 31 March 2020		75,00,000	7,50,00,000	
Increase / (decrease) during the year		-	-	
At 31 March 2021		<u>75,00,000</u>	<u>7,50,00,000</u>	
Terms/ rights attached to equity shares				
The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the				
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
Issued equity capital:		Issued equity share capital		
		No.	Amount	
Issued, subscribed and fully paid-				
At 31 March 2020		65,25,000	6,52,50,000	
Changes during the period		-	-	
At 31 March 2021		<u>65,25,000</u>	<u>6,52,50,000</u>	
(i) Details of shareholders holding more than 5% shares of a class of shares				
Name of shareholders	As at 31 March 2021		As at 31 March 2020	
	No.	% holding in the class	No.	% holding in the class
Equity shares of Rs. 10 each fully paid				
Allcargo Logistics Limited	65,24,999	100	65,24,999	100
	<u>65,24,999</u>	<u>100</u>	<u>65,24,999</u>	<u>100</u>
(ii) Reconciliation of number of the equity shares and preference shares outstanding at the beginning and at the end of the year:				
Equity Shares	As at 31 March 2021		As at 31 March 2020	
	No.	Amount	No.	Amount
At the beginning of the year	65,25,000	6,52,50,000	65,25,000	6,52,50,000
Issued during the period - Bonus shares				
Outstanding at the end of the year	<u>65,25,000</u>	<u>6,52,50,000</u>	<u>65,25,000</u>	<u>6,52,50,000</u>
9 Other equity				
Surplus in Statement of profit & loss account			Amount in Rs.	
At 01 April 2019			(13,21,70,088)	
Add: Profit during the year			(2,04,60,217)	
At 31 March 2020			<u>(15,26,30,305)</u>	
Add: Profit during the year			(4,18,51,473)	
At 31 March 2021			<u>(19,44,81,778)</u>	
Total Other Equity			<u>(19,44,81,778)</u>	

10 Borrowings

	<u>Effective interest rate %</u>	<u>31 March 2021</u>	<u>31 March 2020</u>
Loan repayable On Demand (secured)			
Other loans (unsecured)			
Loan from Related party (refer note. 20)	10.61% upto 30th June 2020 10.70% w.e.f 1st July 2020	13,20,46,818	13,20,46,818
		<u>13,20,46,818</u>	<u>13,20,46,818</u>

11.1 Trade payables

	<u>31 March 2021</u>	<u>31 March 2020</u>
Total outstanding dues to micro and small enterprises	43,200	-
Total Outstanding Dues to creditors other than micro and small enterprises	59,558	46,806
	<u>1,02,758</u>	<u>46,806</u>

11.2 Other payables

	<u>31 March 2021</u>	<u>31 March 2020</u>
Provision for expenses	39,500	36,000
	<u>39,500</u>	<u>36,000</u>

12 Other financial liabilities

	<u>Current portion</u>	
	<u>31 March 2021</u>	<u>31 March 2020</u>
Other financial liabilities at amortised cost		
Interest accrued and due on borrowings (refer note. 20)	4,88,30,306	3,55,63,430
Total other financial liabilities	<u>4,88,30,306</u>	<u>3,55,63,430</u>

13 Other liabilities

	<u>Current portion</u>	
	<u>31 March 2021</u>	<u>31 March 2020</u>
Statutory dues payable		
TDS payable	10,78,693	14,30,473
Others payables (refer note. 20)	1,91,192	2,48,852
Advance received from related party (refer note. 20)	30,26,956	15,96,485
	<u>42,96,841</u>	<u>32,75,810</u>

14 Other Income

	31 March 2021	31 March 2020
Interest income on		
- Income tax refund	15,250	7,676
	15,250	7,676

15 Depreciation and amortisation

	31 March 2021	31 March 2020
Depreciation of property, plant and equipment (note 2)	8,98,623	60,70,862
Amortisation of intangible assets (note 3)	-	36,271
	8,98,623	61,07,133

16 Finance costs

	31 March 2021	31 March 2020
Interest expense		
Interest on loan (refer note. 20)	1,41,01,242	1,41,69,743
Interest on advance (refer note.20)	2,41,325	83,326
	1,43,42,567	1,42,53,069

17 Other expenses

	31 March 2021	31 March 2020
Insurance	51,913	36,129
Rates and taxes	2,500	12,614
Travelling expenses	-	1,080
Legal and professional fees	12,752	13,660
Payment to auditors	40,000	40,000
Office expenses	-	2,674
Miscellaneous expenses	-	1,534
Loss on sale of assets	2,64,62,169	-
Loss on write-off of assets	56,199	-
	2,66,25,533	1,07,691
Payments to the auditor:	31 March 2021	31 March 2020
As auditor		
Audit fee	40,000	40,000
Tax audit fee	-	-
	40,000	40,000

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18 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	31 March 2021	31 March 2020
Profit attributable to equity holders:		
Continuing operations	(4,18,51,473)	(2,04,60,217)
Discontinued operation	-	-
Profit attributable to equity holders for basic earnings:	(4,18,51,473)	(2,04,60,217)
Weighted average number of Equity shares for basic and Diluted EPS	65,25,000	65,25,000
Basic and Diluted EPS	(6.41)	(3.14)

Avvashya Supply Chain Private Limited (formerly known as South Asia Terminals Private Limited)
Notes to the financial statements as at and for the year ended 31 March 2021

19 a. Commitments and contingencies

There are no contingencies and commitments as on 31 March 2021.

b. Dues to Micro and small Suppliers

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from 02 October 2006, certain disclosures are required to be made relating to MSME. On the basis of the information and records available with the Company, the following disclosures are made for the amounts due to the Micro and Small Enterprises.

Particulars	31-Mar-21	31-Mar-20
Principal amount remaining unpaid to any supplier as at the period end.	43,200	Nil
Interest due thereon	Nil	Nil
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period.	Nil	Nil
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 period) but without adding the interest specified under the MSMED.	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting period	Nil	Nil
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 disallowances as a deductible expenditure under the MSMED Act, 2006	Nil	Nil

c. Earnings in Foreign Currency :- Nil

d. Expenditure in Foreign Currency :- Nil

e. Fair value

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

	Carrying amount	Fair value			
	As at 31 March 2021	Amortised cost	Level 1	Level 2	Level 3
Financial assets					
Security deposits	-	-	-	-	-
Trade receivables	5,47,62,268	5,47,62,268	-	-	-
Cash and cash equivalents	8,62,922	8,62,922	-	-	-
Total	5,56,25,190	5,56,25,190	-	-	-
Financial liabilities					
Borrowings	13,20,46,818	13,20,46,818	-	-	-
Trade and other payables	1,42,258	1,42,258	-	-	-
Other financial liabilities	4,88,30,306	4,88,30,306	-	-	-
Total	18,10,19,382	18,10,19,382	-	-	-

	Carrying amount	Fair value			
	As at 31 March 2020	Amortised cost	Level 1	Level 2	Level 3
Financial assets					
Security deposits	-	-	-	-	-
Trade receivables	-	-	-	-	-
Cash and cash equivalents	1,37,035	1,37,035	-	-	-
Total	1,37,035	1,37,035	-	-	-
Financial liabilities					
Borrowings	13,20,46,818	13,20,46,818	-	-	-
Trade and other payables	82,806	82,806	-	-	-
Other financial liabilities	3,55,63,430	3,55,63,430	-	-	-
Total	16,76,93,054	16,76,93,054	-	-	-

The management assessed that carrying value of cash and cash equivalents, trade receivables, trade payables and other financial liabilities approximate their fair value largely due to the short-term maturities of these instruments.

f.

i) Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings.

ii) Financial risk management

a. Trade receivables

Outstanding customer receivables are regularly monitored and impairment analysis is performed at each reporting date on an individual basis.

b. 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 a reasonable price. Management monitors the Company's net liquidity position through forecasts on the basis of monthly business performance and cashflows.

Avvashya Supply Chain Private Limited (formerly known as South Asia Terminals Private Limited)
Notes to the financial statements as at and for the year ended 31 March 2021

20 Related party transactions

List of Related parties				
I. Holding Company				
Allcargo Logistics Limited				
II. Fellow subsidiaries				
Bantwal Warehousing Private Limited				
Summary of transactions with related parties:				
Particulars	Holding Company Allcargo logistics ltd		Fellow subsidiaries Bantwal Warehousing Private Limited	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Interest on loan and advance	1,41,01,242	1,41,69,743	-	-
Interest on advance	2,41,325	83,326	-	-
Sales of Fixed Assets	-	-	5,51,76,089	-
Loans				
Opening balance	13,20,46,818	13,20,46,818	-	-
Add: Loan Taken	-	-	-	-
Less : Loan repaid	-	-	-	-
Less : loan written back	-	-	-	-
Closing balance	13,20,46,818	13,20,46,818	-	-
Trade Debtors			5,47,62,268	-
Advance received (asset)	30,26,956	15,96,485	-	-
Other payables	1,91,192	2,48,852	-	-
Interest Payable	4,88,30,306	3,55,63,430	-	-

21 "The Company has assessed the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of Receivables, Investments and other assets / liabilities. 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 results has used internal and external sources of Information. As on current date, the Company has concluded that the Impact of COVID - 19 is not material based on these estimates. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods, if any."

22 **Loan repayable to Holding Company & Demerger plans**

The Company owes its Holding Company ACL as at 31st March 2021, a total sum of Rs. 18,08,77,124 (including the interest payable of Rs. 4,88,30,306). As on the said date the Company does not have sufficient resource to repay the outstanding loan to it Holding Company. The Holding Company, Allcargo Logistics Limited has therefore recorded a provision for impairment as on March 31,2021 to the extent of difference between the aforesaid consideration for transfer and the outstanding loan amount receivable from the Company. However the same will get reversed subsequently based on the business and action plan described in the subsequent paragraphs,

The Company as its future plans (the Resulting Company), has decided to take over the Contract Logistic (CL) Business of one of the Joint Venture entity of the Holding Company namely "Avvashya CCI Logistics Private Limited" (hereinafter referred to as demerged Company) on going concern basis for which its board of directors in its ensuing meeting will propose to approve/ give consent to execute the scheme of demerger under Sections 230 to 240 of The Companies Act, 2013, subject to the approval of the National Company Law Tribunal ("NCLT") and other requisite approvals. In the Board meeting of the demerged Company the members will give approval/consent on detailed business plan of Contract Logistics business as well as give their consent on the valuation of shares and calculation of share exchange ratio based on independent Valuers' report which will be placed before it in the ensuing meeting. Subsequent to the said approval, the board of directors of the Parent Company in its ensuing meeting will propose to approve and ratify the said Contract logistics business plan of demerged Company and share exchange ratio agreed between shareholders of demerged Company."

As at the date of approval of results of the Company, the necessary scheme documents as well as other definitive transaction documents are yet to be filed and executed with NCLT and hence no impact of the demerger scheme is given in the results. As per the business plan the operating cash flows earned from the said Contract logistics business are sufficient enough to service and will take care of the entire loan obligation towards Parent Company. Hence the Company has not written back any portion of outstanding loan payable to its Parent Company as on March 31, 2021 and considered the same as good and repayable.

23 Previous year figures have been regrouped/ reclassified in order to bring it in line with the current year grouping and classifications.

For Shaparia Mehta & Associates LLP
Firm Registration no - 112350W/W100051
Chartered Accountants

Sajiv Mehta
Partner
Membership No. 034950



For and on behalf of Board of directors of
Avvashya Supply Chain Private Limited
CIN No: U43200MH2008PTC179557

Adarsh Hegde
Director
DIN No. 00035040

Mr Ravi Jakhra
Director
DIN No: 02188690

Neha Pokhrana
Company Secretary
M No. A40082

Avvashya Supply Chain Private Limited

(Formerly South Asia Terminals Private Limited)

BOARD'S REPORT

To
The Members of
AVVASHYA SUPPLY CHAIN PRIVATE LIMITED

The Directors present their 13th Annual Report together with the Audited Financial Statements for the financial year ended March 31, 2021.

Financial Highlights:

(Amount in Rs.)

Particulars	March 31, 2021	March 31, 2020
Income		
Revenue from Operations	-	-
Other Income	-	-
Finance income	15,250	7,676
Total income	15,250	7,676
Expenses		
Cost of services rendered	-	-
Employee benefits expense	-	-
Depreciation and amortization expenses	898,623	6,107,133
Finance costs	14,342,567	14,253,069
Other expenses	26,625,533	107,691
Total expenses	41,866,723	204,67,893
Profit before tax	(41,851,473)	(204,60,217)
Tax expense:		
Current tax	-	-
Total tax expense	-	-
Profit for the year (A)	(41,851,473)	(204,60,217)
Other Comprehensive Income:		
Item that will not be reclassified subsequently to profit or loss:		
Re-measurement gain/(losses) on defined benefit plans	-	-
Other Comprehensive Income for the year, net of tax (B)	-	-
Total Comprehensive income for the year, net of tax (A) + (B)	(41,851,473)	(16,789,662)

Pursuant to the provisions of the Companies Act, 2013 (the "Act"), the Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

Regd Office: 6th Floor, Avashya House, CST Road, Kalina, Santacruz (East), Mumbai -400098
CIN: U45200MH2008PTC179557; Tel.: 022 66798100, Email ID: secretarialdesk@allcargologistics.com

Avvashya Supply Chain Private Limited

(Formerly South Asia Terminals Private Limited)

State of Affairs

The Loss before Interest, Depreciation, Tax and Amortisation ("EBIDTA") stood at Rs. 2,610,283 /- during the year as compared to Rs. 100,015/- during the previous year.

The Loss after taxes was Rs. 41,851,473/- in FY2020-21 as compared to Loss after taxes Rs. 20,460,217/- in the previous year.

Change in the Nature of Business

During the year under review, there was no change in the nature of business or operation of the Company which impacted the financial position of the Company.

Dividend

With a view of the loss to the Company, the Directors do not recommend any dividend for the financial year ended March 31, 2021.

Details of Subsidiary/Joint Ventures/Associate Companies

The Company has no subsidiaries/joint venture/associate companies. Hence, the provisions of Section 129 of the Act read with Rules framed thereunder are not applicable to the Company.

Holding Company

The Company is a wholly owned subsidiary of Allcargo Logistics Limited.

Share Capital

During the year under review, the Company has not issued any shares and hence there is no change in the issued, subscribed and paid-up share capital of the Company.

The issued, subscribed and paid-up share capital of the Company as on March 31, 2021 was Rs. 65,250,000/- (Rupees Six Crore Fifty Two Lakh Fifty Thousand only) consisting of 6,525,000, Equity shares of Rs. 10/- each.

Public Deposits

During the year under review, the Company has not accepted, invited and received any deposits from the public within the meaning of Sections 73 and 76 of the Act and Rules framed thereunder.

Extract of the Annual Return

Pursuant to Section 92 (3) of the Act and Rules framed thereunder, an extract of the Annual Return in Form MGT-9 is annexed as Annexure 1.

Avvashya Supply Chain Private Limited

(Formerly South Asia Terminals Private Limited)

Board of Directors

- a. **Composition:** The Board of Directors of the Company comprises of two Non-Executive Directors - Mr Adarsh Hegde (DIN: 00035040), and Mr. Ravi Jakhar (DIN: 02188690).
- b. **Change in Directors:** During the year under review, following changes took place:
1. Mr. Ravi Jakhar (DIN: 02188690) was appointed as the Additional Director of the Company on November 02, 2020
 2. Appointment of Mr. Ravi Jakhar was regularized and he was appointed as the Director of the Company at the AGM held on November 04, 2020
 3. Mr Suryanarayanan Sivaramakrishnan (DIN: 00444230) resigned from Board of Directors of the Company from November 02, 2020

Company Secretary

Ms Neha Pokhrana (Membership No. A40082) continues to be the Company Secretary of the Company.

- c. **Directors Retiring By Rotation:** In accordance with the provisions of the Act Mr Ravi Jakhar (DIN: 02188690), Director of the Company retires by rotation at the ensuing Annual General Meeting ("AGM") and being eligible, offers himself for re-appointment. The Board recommends his re-appointment as Director liable to retire by rotation at the ensuing AGM of the Company.
- d. **Board Meetings:** During the year under review, the Board met Six (6) times on April 20, 2020, June 17, 2020, August 19, 2020, September 09, 2020, November 02, 2020 and February 03, 2021. Details of attendance of the Directors at each of the Board meetings are as given below:

Sr. No.	Name of Director	No. of Board Meeting held	No. of Board Meeting attended
1	Mr Adarsh Hegde (DIN: 00035040)	6	6
2	Mr Suryanarayanan S (DIN: 00444230)	5	5
3	Mr. Ravi Jakhar (DIN: 02188690)	2	2

Committees of the Board

The Company was not required to constitute any statutory committees of the Board under the relevant provisions of the Act and Rules framed thereunder during the year under review.

Avvashya Supply Chain Private Limited

(Formerly South Asia Terminals Private Limited)

Directors' Responsibility Statement

Pursuant to Section 134 (3) (c) read with Section 134(5) of the Act, the Board to the best of their knowledge and ability confirm that:-

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the loss for that year;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis; and
- e) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Auditors

M/s. Shaparia Mehta & Associates, LLP Chartered Accountants (Firm Registration No. 112350W/W-100051) ("SMCA"), were appointed as the Statutory Auditors of the Company by the Members of the Company at the 8th AGM held on September 30, 2016 for a period of five years from the conclusion of 8th AGM till the conclusion of 13th AGM in accordance with the provisions of Section 139 of the Act.

Further SMCA has expressed their consent for being re-appointed as the Statutory Auditors for the period of 5 year beginning from FY 2021-22 till FY 2025-26 which will be subject to the approval of the members at the ensuing annual general meeting.

SMCA have under Sections 139 and 141 of the Act and Rules framed thereunder confirmed that they are not disqualified from continuing as Statutory Auditors of the Company.

Auditors' Report

The Reports of the Statutory Auditors along with notes on the Financial Statements are enclosed to this Report. The observations made in the Auditors' Report are self explanatory and do not call for any further comments.

The Auditors' Reports do not contain any qualification, reservation, adverse remark or disclaimer.

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Board under Section 143(12) of the Act and Rules framed

Avvashya Supply Chain Private Limited

(Formerly South Asia Terminals Private Limited)

thereunder.

Corporate Social Responsibility (CSR)

As per the provisions of Section 135 of the Act and Rules framed thereunder, the Company is not required to constitute the CSR Committee and spend amount on CSR activities.

Particulars of Loans, Guarantees Securities and Investments

During the year under review, the Company has not given loans or provided guarantees/securities or made investments.

Particulars of Contracts or Arrangements with Related Parties

During the year under review, all related party transactions that were entered into by the Company as referred to in Section 188 of the Act were in the ordinary course of the business and at arm's length basis.

All material related party transactions were carried out at arms length during the period under review which are mentioned in Form AOC-2 enclosed as Annexure -2. Further, the related party transactions that were entered into by the Company during the FY2020-2021 are given in the notes to Financial Statements as per Ind-AS, which form part of this Annual Report.

Material changes and commitments, affecting the financial position of the Company

There are no material changes and commitments, affecting the financial position of the Company subsequent to close of FY2020-2021 till the date of this Report.

Significant and Material orders passed by the Regulators or Courts or Tribunals

During the year under review, no significant material orders have been passed by any Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

However during the year under review the Company applied for the change of name from "South Asia Terminals Private Limited" to "Avvashya Supply Chain Private Limited". The same was duly approved by the ROC vide a fresh certificate of Incorporation dated October 23, 2020.

Risk Management Policy

The Company is a wholly owned subsidiary of Allcargo Logistics Limited and it has been covered under the Risk Management exercise carried out by the Holding Company. There are systems in place which helps to identify, evaluate, monitor, control, manage, minimize and mitigate identifiable business risks.

The purpose of risk management is to achieve sustainable business growth, protect Company's assets, safeguard shareholder investments, ensure compliance with applicable

Avvashya Supply Chain Private Limited

(Formerly South Asia Terminals Private Limited)

The purpose of risk management is to achieve sustainable business growth, protect Company's assets, safeguard shareholder investments, ensure compliance with applicable laws and regulations and avoid major surprises of risks.

Internal Financial Controls and their adequacy with reference to the Financial Statements

The Board has laid down Internal Financial Controls and believes that the same are commensurate with the nature and size of the business. The Company has adopted such policies and procedures for ensuring the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, which represents true and fair view of the Company's operation. The Company continuously checks and assesses the effectiveness and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

Particulars of Employees

During the year under review, the Company does not have any employee, who was in receipt of remuneration as prescribed in Section 197(12) of the Act read with Rules framed thereunder.

Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company is a wholly-owned subsidiary of Allcargo Logistics Limited which is part of the Avvashya Group. The Avvashya Group has adopted an Anti-Sexual Harassment Policy which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and all group companies are covered therein. During the year under review, the Company has not received any complaints of sexual harassment of women at workplace.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

A. Conservation of Energy:

(i) The steps taken or impact on conservation of energy:

Even though operation of the Company is not energy intensive, the Company has always strived to optimize energy consumption.

(ii) The steps taken by the Company for utilizing alternate sources of energy:

Nil

(iii) The capital investment on energy conservation equipment:

During the year under review, the Company has not made any investment on energy conservation equipment.

B. Technology Absorption:

Avvashya Supply Chain Private Limited

(Formerly South Asia Terminals Private Limited)

- (i) **The efforts made towards technology absorption and the benefits derived like product improvement, cost reduction, product development or import substitution:**

During the year under review, the Company has not carried out any activities involving technology absorption.

- (ii) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)**

The Company has not imported any technology during the period of last three years.

- (iii) **The expenditure incurred on Research and Development.**

During the year under review, the Company has not incurred any expenditure on the research & development activities of the Company.

C. Foreign Exchange Earnings & Outgo:

Foreign Exchange Earnings	:	Nil
Foreign Exchange Outgo	:	Nil

Compliance of Secretarial Standards

The Company is in compliance with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India

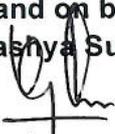
Acquisition of Contract Logistics Business:

The Company is in the advance stage of discussion to acquire the Contract Logistics Business from Avvashya CCI Logistics Private Limited through the Scheme of Arrangement (Demerger). The terms and conditions of such arrangement will be decided by the Board of the Directors of both the Companies in due of course of time and will be subject to the approval of National Company Law Tribunal (NCLT).

Acknowledgements

The Directors take this opportunity to place on record their gratitude for the valuable support and co-operation extended by the Government, the stakeholders, business associates, banks, customers, vendors and service providers during the year under review.

**For and on behalf of the Board of Directors
Avvashya Supply Chain Private Limited**


Adarsh Hedge
Director
(DIN: 00035040)


Ravi Jakhar
Director
(DIN: 02188690)



Date: May 21, 2021

Place: Mumbai

Avvashya Supply Chain Private Limited

(Formerly South Asia Terminals Private Limited)

Annexure-1

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2021

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

I. Registration and Other Details

i)	CIN	U45200MH2008PTC179557
ii)	Registration Date	February 28, 2008
iii)	Name of the Company	Avvashya Supply Chain Private Limited
iv)	Category/Subcategory of the Company	Company having Share Capital/ Indian Non-Government Company
v)	Address of the Registered Office and contact details	6 th Floor, Avashya House, CST Road, Kalina, Santacruz (East), Mumbai - 400098 Tel: 022-66798100 Email Id: secretarialdesk@allcargologistics.com
vi)	Whether Listed Company	No
vii)	Name, Address and Contact Details of Registrar and Transfer Agent, if any	N.A

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service*	% to total turnover of the Company
1	N.A		

*As per National Industrial Classification- Ministry of Statics and Programme Implementation

Avvashya Supply Chain Private Limited

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III. Particulars of Holding, Subsidiary and Associate Companies:

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Allcargo Logistics Limited 6 th Floor, Avashya House, CST Road, Kalina, Santacruz (E), Mumbai-400 098	L63010MH2004PLC073508	Holding	100	2(46)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a. Individual / HUF	-	-	-	-	-	-	-	-	-
b. Central Govt.	-	-	-	-	-	-	-	-	-
c. State Govt.	-	-	-	-	-	-	-	-	-
d. Bodies Corp	-	6,525,000	6,525,000	100	-	6,525,000	6,525,000	100	-
e. Bank / FI	-	-	-	-	-	-	-	-	-
f. Any Other	-	-	-	-	-	-	-	-	-
Sub-Total: A(1)	-	6,525,000	6,525,000	100	-	6,525,000	6,525,000	100	-
(2) Foreign									
a. NRI- Individuals/HUF	-	-	-	-	-	-	-	-	-
b. Other Individuals	-	-	-	-	-	-	-	-	-
c. Body Corp.	-	-	-	-	-	-	-	-	-
d. Bank/FI	-	-	-	-	-	-	-	-	-
e. Any Other	-	-	-	-	-	-	-	-	-
Sub-Total: A(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter A=(A)(1) + (A)(2)	-	6,525,000	6,525,000	100	-	6,525,000	6,525,000	100	-

Avvashya Supply Chain Private Limited

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B. Public Shareholding									
(1) Institution									
a. Mutual Funds	-	-	-	-	-	-	-	-	-
b. Bank/FI	-	-	-	-	-	-	-	-	-
c. Central Govt.	-	-	-	-	-	-	-	-	-
d. State Govt.	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Co.	-	-	-	-	-	-	-	-	-
g. FIs	-	-	-	-	-	-	-	-	-
h. Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
i. Other	-	-	-	-	-	-	-	-	-
Sub-Total: B(1)	-	-	-	-	-	-	-	-	-
(2) Non-Institution									
a. Body Corp.									
Indian	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-
b. Individual									
Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c. Other									
Sub-Total-B (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter B=(B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
Net Total (A+B)	-	6,525,000	6,525,000	100	-	6,525,000	6,525,000	100	-
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	-	6,525,000	6,525,000	100	-	6,525,000	6,525,000	100	-

Avvashya Supply Chain Private Limited

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ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged/encumbered to total shares	
1	Allcargo Logistics Limited	6,524,999	99.99	-	6,524,999	99.99	-	-
2	Allcargo Logistics Limited jointly with Mr Shashi Kiran Shetty	1	0.01	-	1	0.01	-	-
	Total	65,25,000	100	-	65,25,000	100	-	-

iii. Change in Promoters' Shareholding: No change

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Not Applicable

v. Shareholding of Directors and Key Managerial Personnel: Not Applicable

V. INDEBTEDNESS

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

(Amount in Rs.)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	-	13,20,46,818	-	
ii. Interest due but not paid	-	3,55,63,430	-	
iii. Interest accrued but not due	-		-	
Total (i+ii+iii)	-	16,76,10,248	-	
Change in Indebtedness during the financial year	-		-	
· Addition	-	1,43,42,567	-	
· Reduction	-	10,75,691	-	
Net Change	-		-	
Indebtedness at the end of the financial year				
i. Principal Amount	-	13,20,46,818	-	
ii. Interest due but not paid	-	4,88,30,306	-	
iii. Interest accrued but not due	-	-	-	
Total		18,08,77,124		

Avvashya Supply Chain Private Limited

(Formerly South Asia Terminals Private Limited)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

- A. Remuneration to Managing Director, Whole-Time Directors and/or Manager: - Not Applicable
- B. Remuneration to Other Directors: Not Applicable
- C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: Not Applicable

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for breach of any Section of the Act against the Company or its Directors or other officers in default, if any, during the year under review.

For and on behalf of the Board of Directors
Avvashya Supply Chain Private Limited



Adarsh Hedge
Director
DIN: 00035040



Ravi Jakhar
Director
DIN: 02188690



Date: May 21, 2021

Place: Mumbai

Avvashya Supply Chain Private Limited

(Formerly South Asia Terminals Private Limited)

Annexure - 2
Form AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of Contracts or Arrangements or Transactions not at Arm's Length Basis

Sr. No.	Particulars	Related Party Transactions
(a)	Name(s) of the related party and nature of relationship	Nil
(b)	Nature of contracts/arrangements/ transactions	Nil
(c)	Duration of the contracts/ arrangements/transactions	Nil
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
(e)	Justification for entering into such contracts or arrangements or transactions	Nil
(f)	Date(s) of approval by the Board	Nil
(g)	Amount paid as advances, if any:	Nil
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Nil

2. Details of Material Contracts or Arrangement or Transactions at Arm's Length Basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/ transactions	Duration of the contracts/ arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Date(s) of approval by the Board, if any
1.	Allcargo Logistics Limited, Holding Company	Interest Paid	FY 2020-21	1,41,01,242	-	-
2.	Allcargo Logistics Limited, Holding Company	Interest on Advance	FY 2020-21	2,41,325	-	-

Avvashya Supply Chain Private Limited

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	Trade Debtors	FY 2020-21		
3. Bantwal Warehousing Private Limited, Fellow Subsidiary			5,47,62,268	-
4. Allcargo Logistics Limited, Holding Company	Advanced Received	FY 2020-21	30,26,956	
5. Allcargo Logistics Limited, Holding Company	Other Payables	FY 2020-21	1,91,192	
6. Allcargo Logistics Limited, Holding Company	Interest	FY 2020-21	4,88,30,306	

For and on behalf of the Board of Directors
Avvashya Supply Chain Private Limited


Adarsh Hedge
Director
(DIN: 00035040)


Ravi Jakhar
Director
(DIN: 00444230)

Date: May 21, 2021
Place: Mumbai



2022-23

ANNUAL REPORT

GATI-KINTETSU EXPRESS PRIVATE LIMITED

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CORPORATE INFORMATION

BOARD OF DIRECTORS

1. Mr. Shashi Kiran Shetty - Chairman & Non-Executive Director
2. Mr. Pirojshaw Aspi Sarkari - Managing Director & Chief Executive Officer
3. Ms. Vinita Dang Mohoni - Independent Director
4. Mr. Nilesh Shivji Vikamsey - Independent Director
5. Mr. Dinesh Kumar Lal - Independent Director

KEY MANAGERIAL PERSONNEL

1. Mr. Pirojshaw Aspi Sarkari - Managing Director & Chief Executive Officer
2. Mr. Anish T Mathew - Chief Financial Officer
3. Mrs. TS Maharani - Company Secretary

AUDITORS

M/s. S.R. Batliboi & Associates LLP
Chartered Accountants

REGISTERED OFFICE

4th Floor, A Wing, Allcargo House, CST Road,
Kalina, Santacruz (East), Mumbai-400098, Maharashtra
CIN: U62200MH2007PTC390900
Email ID: investor.services@gati.com

REGISTRAR AND SHARE TRANSFER AGENTS

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

REGISTERED OFFICE

- 1) Bank of Bahrain and Kuwait B.S.C
- 2) Federal Bank Limited
- 3) DCB Bank Limited
- 4) IndusInd Bank Limited
- 5) Axis Bank Limited
- 6) ICICI Bank Limited
- 7) Bank of Baroda
- 8) HP Financial Services (India) Private Limited
- 9) Capsave Finance Private Limited
- 10) HDFC Bank Limited

Gati-Kintetsu Express Private Limited

4th Floor, A Wing, Allcargo House, CST Road, Kalina, Santacruz (East), Mumbai – 400098

Tel No: (022) 6679 8100CIN: U62200MH2007PTC390900

Website: www.gatikwe.com E-mail: investor.services@gati.com

NOTICE

Notice is hereby given that the 16th (Sixteenth) Annual General Meeting (AGM) of the members of Gati-Kintetsu Express Private Limited (CIN:U62200MH2007PTC390900) ("the Company") will be held at a **shorter notice** on Wednesday, July 26, 2023 at 5:00 P.M. through Video Conferencing (VC) or Other Audio Visual Means (OAVM) for which purpose the Registered office of the Company situated at 4th Floor, A Wing, Allcargo House, CST Road, Kalina, Santacruz (East), Mumbai – 400098 shall be deemed as the venue for the Meeting and the proceedings of the Annual General Meeting shall be deemed to be made thereat, to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2023 and the Reports of the Board of Directors and Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** the audited financial statements of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

Special Business:

2. To consider and approve the appointment of Mr. Pirojshaw Aspi Sarkari (DIN: 00820860) as a Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of section 152 and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Pirojshaw Aspi Sarkari (DIN: 00820860), who was appointed by the Board of Directors as an Additional Director of the Company, with effect from May 31, 2023 under section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting of the Company in terms of section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, being so eligible, be appointed as a Director of the Company, liable to retire by rotation.

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

3. To consider and approve the appointment of Mr. Pirojshaw Aspi Sarkari (DIN: 00820860), as "Managing Director and Chief Executive Officer" with effect from May 31, 2023 to May 30, 2028 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of sections 196, 197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities while granting such approvals, permissions and sanctions, approval of the Company be accorded to the appointment of Mr. Pirojshaw Aspi Sarkari (DIN: 00820860) as the Whole-time Director of the Company designated as "Managing Director and Chief Executive Officer" of the Company with effect from May 31, 2023 to May 30, 2028 (both days inclusive) on a remuneration of ₹ 2,75,00,000 per annum and retention bonus of an amount not exceeding ₹ 50,00,000 per annum, as detailed in the Explanatory statement annexed to this Notice.

FURTHER RESOLVED THAT the approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to revise the remuneration payable to Mr. Pirojshaw Aspi Sarkari, Managing Director & Chief Executive Officer of the Company (hereinafter referred to as the appointee), from time to time.

FURTHER RESOLVED THAT, in addition to the above remuneration, the appointee shall be entitled to Employees Stock Appreciation Rights (ESARs) in accordance with the Holding Company's (Gati Limited) ESAR Plan 2021, as approved by the Board and Shareholders of the Holding Company.

FURTHER RESOLVED THAT where in any financial year during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the Company may pay to the appointee, the above remuneration, with revision thereof from time to time as the minimum remuneration.

FURTHER RESOLVED THAT approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

4. To consider and approve the appointment of Mr. Shashi Kiran Shetty (DIN: 00012754), as a Non-Executive Non-Independent Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 152 and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Shashi Kiran Shetty (DIN: 00012754), who was appointed by the Board of Directors as an Additional Director of the Company, with effect from May 31, 2023 under section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting of the Company in terms of section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, being so eligible, be appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation."

5. To consider and approve the appointment of Ms. Vinita Dang Mohoni (DIN: 01919140) as an Independent Director, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years commencing from June 17, 2023 to June 16, 2028 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable

provisions of the Companies Act, 2013 ("the Act") and Companies (Appointment and Qualifications of Directors) Rules, 2014 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Ms. Vinita Dang Mohoni (DIN: 01919140), who was appointed as an Additional Director (Independent and Non-Executive) of the Company with effect from June 17, 2023 under section 161 of the Act and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting of the Company, and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Act proposing her candidature for the office of Director, being so eligible, be appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years commencing from June 17, 2023 to June 16, 2028.

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

By order of the Board of Directors
For **Gati-Kintetsu Express Private Limited**

TS Maharani

Company Secretary
Membership No.: F8069

Place: Hyderabad
Date: July 21, 2023

NOTES:

- 1) In view of the Ministry's General circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021, General circular no. 19/2021 dated December 08, 2021, General circular no. 21/2021 dated December 14, 2021 and General Circular No. 2/2022 dated May 05, 2022, General Circular No 10/2022 dated December 28, 2022 & General Circular No 11/2022 dated December 28, 2022, respectively in relation to "Clarification of holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") permitted the companies whose Annual General Meeting (s) ("AGM") are due in the year 2023 through VC / OAVM **on or before September 30, 2023**, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
- 2) This AGM is being held at a shorter notice and requisite consents under Section 101 of the Companies Act, 2013 have been received before calling this meeting.
- 3) As the AGM is being conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and

Attendance Slip including Route Map are not annexed to this Notice.

- 4) The instructions to join the AGM shall form part of the e-mail communication to shareholders for this EGM which shall be an integral part of this Notice.
- 5) The relative Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item No. 1 & 2 of the Notice, is annexed hereto.
- 6) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013 ("the Act").
- 7) Corporate members intending to send their authorised representatives to attend the AGM pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy (in PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. authorising its representatives to attend the AGM, by e-mail to maharani.ts@gati.com.
- 8) In compliance with the aforementioned MCA Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website: www.gatikwe.com.

- 9) Members seeking any information with regard to any matter to be placed at the AGM, are requested to write to the Company through an email to maharani.ts@gati.com.
- 10) Company will be providing facility for voting at 16th AGM through VC/OAVM facility.
- 11) Members will be able to attend the AGM through VC/OAVM provided by the Company.
- 12) Members who need assistance before or during the AGM, can contact Mrs. TS Maharani at maharani.ts@gati.com/ +91-8008559799.
- 13) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Company Secretary, by show of hand for all those members who are present at the AGM.
- 14) The Register of Directors and their shareholding, maintained under Section 170 of the Companies Act 2013 and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the meeting by sending e-mail to maharani.ts@gati.com.
- 15) Members holding shares in physical mode:
 - a) are required to submit their Permanent Account Number (PAN) and bank account details to the Investor Service Department of the Company, if not registered with the Company.
 - b) are requested to register / update their e-mail address with the Investor Service Department of the Company for receiving all communications from the Company electronically.
- 16) Members holding shares in electronic mode:
 - a) are requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts.
 - b) are requested to register / update their e-mail address with their respective DPs for receiving all communications from the Company electronically.
- 17) Non-Resident Indian members are requested to inform respective DPs, immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- 18) Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Investor Service Department of the Company/RTA, in case the shares are held by them in physical form.

By order of the Board of Directors
For **Gati-Kintetsu Express Private Limited**

TS Maharani

Company Secretary
Membership No.: F8069

Place: Hyderabad
Date: July 21, 2023

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

Item Nos. 2 and 3:

Mr. Pirojshaw Aspi Sarkari was appointed as an Additional Director designated as Managing Director and Chief Executive Officer of the Company with effect from May 31, 2023 pursuant to the recommendation of the Nomination and Remuneration Committee on a remuneration of ₹ 2,75,00,000 per annum and retention bonus of an amount not exceeding ₹ 50,00,000 per annum, as detailed further in this Explanatory Statement.

Profile:

Mr. Pirojshaw Aspi Sarkari or Phil, as he is commonly known in the industry is an exceptional leader with strong belief in teamwork, technology adoption and process-led growth. He brings with him, decades of leadership experience along with immense business and industry knowledge.

In his illustrious career trajectory, he has set up the UPS business and organisation in India and served as its Managing Director

and Country Head till 2010. He then joined Mahindra Logistics as its CEO in 2010, where he built the team and fostered an organisational culture that resulted in the creation and growth of one of the largest and most successful 3PL businesses in India. He is also acknowledged for diversifying the logistics business outside the Mahindra group and for driving a very successful IPO of the company followed by transformative growth through both organic and inorganic means.

With his vast experience, visionary leadership and business acumen he is geared to drive Gati to its next phase of growth and progress that involves becoming stronger in digital capabilities and expanding core businesses to serve customers better.

Mr. Pirojshaw Aspi Sarkari is a Chartered Accountant by profession and a chef by passion. He has joined the Gati Group effective from August 2021 as the Chief Executive Officer of Gati Limited and Gati Kintetsu Express Private Limited.

Mr. Pirojshaw Aspi Sarkari is a Chairman/Member of the following Board Committees:

Sr. No.	Name of the Company/Industry Body	Designation	Name of the Committee	Position held (Chairman/ Member)
1.	Allcargo Supply Chain Private Limited	Managing Director	-	-
2.	Express Industry Council of India	Nominee Director	-	-
3.	Ek ka Josh Foundation	Director	-	-
4.	Gati-Kintetsu Express Private Limited	Additional Director (Managing Director & Chief Executive Officer)	Corporate Social Responsibility Committee	Member
5.	Gati Limited	Additional Non-Executive Non-Independent Director	Risk Management Committee	Member

Mr. Pirojshaw Aspi Sarkari does not hold any shareholding in the Company. The Explanatory Statement may be considered as a written Memorandum setting out terms, conditions and limits of remuneration of Mr. Pirojshaw Aspi Sarkari in terms of section 190 of the Act.

During his tenure from May 31, 2023, one Board Meeting of the Company was held, and Mr. Pirojshaw Aspi Sarkari attended the said Meeting. Pursuant to sections 196, 197, 198 and all other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] read with Schedule V of the Act, the appointment of Mr. Pirojshaw Aspi Sarkari, is now being placed before the Members at the Annual General Meeting for their approval by way of Special Resolution. The following additional information as required by Schedule V to the Companies Act, 2013 is given below:

I. General Information:

(i) Nature of Industry:

The Company is, inter alia, in the business of Express Distribution, E-Commerce, Air Freight and Supply Chain Management.

(ii) Date or expected date of commencement of commercial production:

The Company was incorporated on November 14, 2007 and has already started operations.

(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable.

(iv) Financial performance based on given indicators – as per audited financial results for the year ended March 31, 2023:

Particulars	₹ in Lacs
Gross turnover & other income	148670
Net profit as per Statement of Profit & Loss (After Tax)	(543)
Computation of Net Profit in accordance with section 198 of the Companies Act, 2013	2839
Net Worth	24480

(v) Foreign investments or collaborators, if any:

Not Applicable.

II. Information about the appointee:

(i) **Background details:**

Refer profile Section as stated above.

(ii) **Past remuneration during the financial year ended March 31, 2023:**

₹ 2,75,00,000 per annum and retention bonus of an amount not exceeding ₹ 50,00,000 per annum.

(iii) **Recognition or awards:**

Refer profile Section stated above.

(iv) **Job Profile and his suitability:**

Taking into consideration his qualifications and expertise in relevant fields as detailed in his profile above, the Managing Director & Chief Executive Officer of the Company is best suited for the responsibilities currently assigned to him.

(V) **Compensation Details**

Components	Amount (₹ lacs) per annum
Fixed Pay	200.0
Target Variable Pay	75.0
Retention Package	50.0
Total Cost to Company	325.0
Insurance and other benefits	*as per policy

- Target Variable Pay is payable subject to Individual's and Company's performance.
- Retention Package is for next 3 years (till Aug 24) upto maximum of ₹ 50 lacs per annum subject to performance rating.
- Reimbursement of business related communication ,travel,hotel and other expenses as per Company's policy /guidelines.
- Insurance coverage and other statutory benefits are application as per Company's policy.

Mr. Pirojshaw Aspi Sarkari does not hold any Equity Shares in the Company. However, Mr. Pirojshaw Aspi Sarkari has been granted Employee Stock Appreciation Rights ("ESARs") as decided by the Nomination and Remuneration Committee of the Holding Company. The number of ESARs granted and outstanding under the Gati Limited Employee Stock Appreciation Rights Plan 2021 as on March 31, 2023 are 2,00,000 out of which 60,000 ESARs stands vested and the rest would vest as per the vesting schedule.

(vi) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

Taking into consideration the size of the Company, the profile of Mr. Pirojshaw Aspi Sarkari, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.

(vii) **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

Besides the remuneration proposed to be paid to him, the Managing Director & CEO does not have any other pecuniary relationship with the Company or relationship with the managerial personnel.

III. Disclosures:

The information and Disclosures of the remuneration package of all Directors have been mentioned in the Annual Report and Financials. Mr. Pirojshaw Aspi Sarkari satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section 3 of section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of section 164 of the Act. Mr. Pirojshaw Aspi Sarkari is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India ("SEBI") or any other authority. Brief resume of Mr. Pirojshaw Aspi Sarkari, nature of his expertise in specific functional areas, disclosure of relationships between directors inter-se, name of listed entities and other companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding in the Company, the number of Meetings of the Board attended during the year, as stipulated under the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are stated herein.

Save and except Mr. Pirojshaw Aspi Sarkari, and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel ("KMP") of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item Nos. 2 and 3 of the Notice. None of the Directors and KMP of the Company are inter-se related to each other.

The Board recommends the Special Resolution set out at Item Nos. 2 and 3 of the Notice for approval of the Members.

Item No. 4:

The Board of Directors of the Company, pursuant to the recommendation of the Nomination and Remuneration Committee has appointed Mr. Shashi Kiran Shetty (DIN: 00012754) as an Additional Non-Executive Non-Independent Director of the Company with effect from May 31, 2023. He holds office upto the date of the ensuing Annual General Meeting pursuant to section 161 of the Companies Act, 2013 ("the Act").

The Company has received notice in writing from a Member under section 160 of the Act, proposing his candidature for the office of Director of the Company.

Profile:

Mr. Shashi Kiran Shetty is a pioneer and leader of the logistics industry with numerous Indian and global recognitions and a deep-rooted commitment to social welfare.

He began early, when the logistics sector was at a nascent stage. In 1993, he founded Allcargo Logistics which today enjoys the status of being India's largest integrated logistics company. Its trajectory of success

and wide portfolio of world-class services like MTO, Contract Logistics and Project Equipment are testimony to Mr. Shetty's entrepreneurial spirit and foresight.

Spearheading over 10 key acquisitions in less than a decade, he sets a brilliant example of benefiting from first mover's advantage, wherein he saw the formidable strength and bright future the logistics sector holds in India and globally, creating India's first and largest integrated logistics solutions provider in the private sector and a global leader in multimodal transport with operations in more than 160 countries.

Right from being conferred Belgium's highest civilian honour the 'Distinction of Commander of the Order of Leopold II' to being declared as the Global Logistics Personality of the Year, Mr. Shetty's experience and contribution has been recognised across diverse fora and platforms in India and internationally. An astute business sense, exemplary leadership and a vision to identify potential opportunities reiterate his position as an industry veteran.

Mr. Shetty is known not just for his professional achievements, but also his involvement in a number of philanthropic and community development initiatives. Be it through personal donations and contributions or involvement in the interventions of Avashya Foundation, Allcargo Logistics' CSR arm, Mr. Shetty walks the talk when it comes to giving back to society in every way possible.

Under Mr. Shetty's guidance and insistence on quality, impeccable execution, customer satisfaction and a values-driven culture, Allcargo Logistics continues to be recognised as one of the most professionally-managed and process-driven organisations.

In addition to being a sports enthusiast and an avid golfer, Mr. Shashi Kiran Shetty also appreciates art and its diverse cultural expressions.

Mr. Shashi Kiran Shetty does not hold any shareholding in the Company. Mr. Shashi Kiran Shetty being the Chairman & Managing Director of Gati Limited, has waived his right to receive sitting fees for attending the Meetings of the Board of Directors or any Committee thereof on which he may be appointed from time to time or any other remuneration payable to the Non-Executive Directors of the Company, during his tenure as a Non-Executive Non-Independent Director of the Company.

Mr. Shashi Kiran Shetty is not disqualified from being appointed as a Director in terms of section 164 of the Act and has given his consent to act as a Director. Mr. Shashi Kiran Shetty is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India ("SEBI") or any other authority. The Board is of the view that Mr. Shashi Kiran Shetty's knowledge and experience will be of immense benefit and value to the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, recommends his appointment to the Members.

Save and except Mr. Shashi Kiran Shetty, and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel ("KMP") of the Company and their relatives

are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice.

None of the Directors and KMP of the Company are inter-related to each other. The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval of the Members.

Item No. 5:

Proposal:

The Board of Directors of the Company, pursuant to the recommendation of the Nomination and Remuneration Committee ("NRC") has proposed to the Members of the Company, the appointment of Ms. Vinita Dang Mohoni (DIN: 01919140) as Independent Directors on the Board of the Company, not liable to retire by rotation, who shall hold office for a term of 5 (five) consecutive years commencing from June 17, 2023 to June 16, 2028. The Company has received notice in writing from a Member under section 160 of the Companies Act, 2013 ("the Act") proposing the candidature of Ms. Vinita Mohoni for the office of Director of the Company.

Process & Basis of Appointment:

The NRC evaluated profiles of various candidates as certain Independent Directors and identified skills, expertise and competencies required by the Board for the effective functioning of the Company. The NRC with a view to further strengthen the competencies of the Board and after considering criteria such as qualifications, skillsets, experience, independence, knowledge, ability to devote sufficient time and attention to the professional obligations of an Independent Director, shortlisted profiles of select candidates from a range of backgrounds including Corporate Professionals, Consultants and Industrialist. The process of shortlisting and selection of the new Independent Directors was carried out and concluded by NRC members who were Independent Directors and not considered interested in such proposals.

From the shortlisted candidates, the NRC selected and recommended to the Board, the appointment of Ms. Vinita Dang Mohoni as Independent Director of the Company taking the following factors into account:

Profile:

Ms. Vinita is a senior management professional with over 30 years of marketing, advisory and strategic consulting experience. She has specific expertise in the consumer products and services industry and has been a consultant and advisor to CEOs and management of various organisations.

Vinita is passionate about ethics in advertising and is a CCC member of the prestigious Advertising Standards Council of India. She founded a thriving global community of over 7000 Women from IIM which is empowering women professionals.

- *2005-present.* She runs an independent consulting practice now at The Illuminati strategy consultants and serves with ASCI (since 2017).
- *1997-04.* Vinita was an Associate of Quadra Advisory, a Strategic Marketing Consultancy set up by legendary Shunu Sen and WPP, where she created compelling marketing strategies and trained middle/

senior management of organisations in brand positioning and strategic thinking.

- 1994-97. Vinita was part of a 3 member management team, as Head of marketing and sales, which set up Kimberly-Clark Lever as the first global joint venture, between Kimberly Clark and Hindustan Unilever in India and shaped KCLL's entry strategy and launch of Huggies.
- 1993-94. She was designated CEO of a proposed Joint Venture between the Thapar group and Triumph International.
- 1986-93. She has held several positions at Procter & Gamble India including AAM (Marketing Head) P&G Health Care. She led marketing and cross functional teams to launch many successful brands

with innovative ideas- among others, the successful launch of P&G's Whisper sanitary napkins in India achieving breakthrough market share in Year 1.

- 1982-85. She started her career as brand manager at SmithKline Beecham (HMM) after her MBA.

Her international experience involved organisational roles in global teams and as Brand Manager on special assignment with P&G Japan.

She has attended the KPMG Board Collective and was a member of the core group WCD at FICCI FLO which supports women corporate directors.

Vinita is an Economics (Hons) graduate from Lady Shriram College, New Delhi and an MBA from IIM Ahmedabad. She completed her schooling from Modern School New Delhi.

Directorships and Committee positions:

Sr. No.	Name of the Company/Industry Body	Designation	Name of the Committee	Position held (Chairman/ Member)
1.	Advertising Standards Council of India	Committee Member	Consumer Compliants Committee (CCC)	Member
2.	Allcargo Supply Chain Private Limited	Additional Non-Executive Independent Director	-	-
3.	Gati-Kintetsu Express Private Limited	Additional Non-Executive Independent Director	Audit Committee Nomination & Remuneration Committee Corporate Social Responsibility Committee	Member Member Chairperson
4.	Gati Limited	Additional Non-Executive Independent Director	Nomination & Remuneration Committee Stakeholders Relationship Committee Corporate Social Responsibility Committee	Member Chairperson Member

Attendance at Board Meetings: After her appointment on the Board as Additional Director on June 17, 2023, no meeting of Board of Directors was held.

Remuneration: Ms. Vinita Dang Mohoni is entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof.

Other Information:

Ms. Vinita Dang Mohoni do not hold any Ordinary (Equity) Shares in the Company and is not disqualified from being appointed as Directors in terms of section 164 of the Act and have given their consent to act as a Director. The Company has received declarations from her stating that she meets the criteria of independence as prescribed under sub-section (6) of section 149 of the section 149 of the Act.

Ms. Vinita Dang Mohoni is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI) or any other authority. In the opinion of the Board, she fulfills the conditions for appointment as Independent Director as specified in the Act. She is independent of the management. The Articles of Association and copies of the draft letters of appointment of Ms. Vinita Dang Mohoni setting out terms and conditions of appointment

are available for inspection by the Members in electronic form as per the instructions provided in the Notes of this Notice.

The Board is of the view that Ms. Vinita Dang Mohoni's knowledge and experience will be of immense benefit and value to the Company and, therefore, recommends their appointment to the Members.

Save and except Ms. Vinita Dang Mohoni, and her relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel (KMP) of the Company and her relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions set out at Item Nos. 5 of the Notice.

She is not related to any other Director / KMP of the Company. The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval of the Members.

For **Gati-Kintetsu Express Private Limited**

TS Maharani
Company Secretary
Membership No.: F8069

Place: Hyderabad
Date: July 21, 2023

Directors' Report

Dear Members,

Your Directors have great pleasure in presenting the report of the Business and Operations of your Company ('the Company or 'GKEPL'), along with the Audited Financial Statements, for the financial year ended March 31, 2023.

1) Financial Highlights

	(₹ in Lakhs)	
Particulars	2022-23	2021-22
Total Income	148670	125314
Profit before Finance Cost, Depreciation, Exceptional items & Taxation	9013	4650
Less : Finance cost	2998	2220
Less : Depreciation	5855	3217
Profit/ (Loss) before Tax & Exceptional Items	160	(787)
Less: Exceptional Items	893	2518
Profit/ (Loss) before Tax	1053	(3305)
Less : Total Tax Expenses	(1596)	(701)
Profit/ (Loss) after Tax	(543)	(4006)
Other Comprehensive Income for the year (net of tax)	(597)	(313)
Total Comprehensive Income for the year	(1140)	(4319)

Your Company has provided Ind-AS Financials for the year ended 31st March, 2023 along with comparable as on 31st March 2022.

2) Dividend

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

3) Reserves

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

4) Equity Share Capital

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

5) Review of Operations

During the year under review, your Company recorded revenue of ₹ 1,48,670 Lakhs, EBITDA of ₹ 9,013 Lakhs and PAT of ₹ (543) Lakhs against a revenue of ₹ 1,25,314 Lakhs, EBITDA of ₹ 4,650 Lakhs and PAT of ₹ (4006) Lakhs in the previous year.

6) Business performance

With a strong recovery, post COVID, the Indian economy and especially the express logistics segment has performed extremely well during the year. The logistics industry is expected to continue growing at 1.5X GDP growth and the express logistics will outperform the same by maintaining a trajectory of 1.5X the logistics industry growth. Your Company has and will continue to exceed industry growth levels.

Catering to the B2B surface and air express markets, your Company has grown to be a pioneer and leader with decades of experience and deep understanding of the complexities of today's growing time sensitive market demands and business expectations with cost-effective and technologically enabled services. The year-on-year revenue growth has been +18% driven by a significant improvement in service level performance and customer satisfaction. The EBITDA 103% PBT turns positive from previous year negative, showing the resilience and recovery made by the business during the year.

• Express distribution Services

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

• Surface freight

With more than 5000 vehicles operating across the country in a well-developed wide network that is optimized via route planning system & 24/7/365 service level monitoring, our deliveries are further strengthened by 24x7 customer care & online tracking systems providing SMS and E-mail updates to customers for their shipments in transit enabling reliability, high efficiency, safety and trust in the Company's express cargo delivery network. Your 19 Express Distribution Centers and 90 distribution

warehouses that work in a hub and spoke model ensures on-time and seamless delivery at ~19000 pincodes and allows us to serve +650 districts across our country.

- **Air freight**

When it comes to critical cargo and time-sensitive transportation especially for pharmaceuticals, critical spares and essential goods as well as electronic and auto supply chain elements, the Company supports customers with reliable and cost effective air express solutions.

During the year, Gati-Air has strengthened connections to all of India's commercial airports and we have partnerships with India's leading domestic airlines which creates a significant advantage for the Company as well as Customers who can now rely on your Company for a combination of air and surface express to deliver time-urgent cargo to all parts of the country.

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

7) Credit Rating

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

Instrument	Rating	Rating Agency
Fund Based Limits (Cash Credit)	A Plus	CARE Ratings Limited

8) Future Prospects

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

- Continued focus to be our customers preferred one-stop solution providers for Express Distribution, including but not limited to, expanding wallet share with large customers, enhance new customer acquisition in the MSME and retail sub-segments and tap into the large un-organised market which offers the potential to grow exponentially;
- Expand our growing robust operating network for access & reach across all parts of the country;
- Emphasis on service, quality & digitization as an enabler & differentiator;
- Enhanced use of technology to facilitate automation and modernization of all the facilities;
- Value creation and acting pro-actively with Environmental, Social and Governance (ESG), the Company's vision to enhance and provide sustainability as a key imperative with initiatives such as, transition to a large proportion of EV's in First Mile and Last Mile by 2025, Solar Roof top and Rainwater harvesting at operating facilities, etc.

9) Global Macroeconomics

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

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

The Company is expected to see an accelerated level of investment in critical supply chain planning capabilities by adoption of more advanced digital enablers, such as cognitive planning and AI-driven predictive analytics as well as adding greater integrity and visibility into secure supply chains by using advanced track and trace and block chain technologies in the coming years.

10) Indian Economic Overview

Amidst uncertain global economic outlook, Indian economy exhibited signs of resilience. Strong economic growth in the first quarter of FY 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from COVID-19 pandemic shock. Currently available forecasts of India's real GDP growth for 2023-24, including those of the RBI, broadly settled between 6.0% and 6.5%, this contrasts with Global GDP growth projection of 3%. India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years. The Government announced Foreign Trade Policy (FTP) 2023 in March. It aims at reducing transaction costs and encourage ease of doing business through process re-engineering and automation.

Overall aggregate demand conditions remain resilient for the country. Government's thrust on the infrastructure and revival of corporate investments in select sectors augur well for the economy. Investment activity in India is exhibiting buoyancy on the back of strong composite Purchasing Managers Indices (PMI) readings. Merchandise exports have risen by 6 percent in FY23 to an all-time high of USD 447.5 billion and services exports remain strong. Overall, merchandise imports also reached an all-time high of USD 714.2 billion in FY23, increasing by 16.5 per cent year-on-year. E-way bill volumes and toll collections remained strong, reaching new highs in March 2023. RBI's monetary policy measures have resulted in headline CPI inflation declining from 7.8 percent in April 2022 to 5.7 percent in March 2023 with further easing expected during the year.

11) Outlook

The Union Budget 2023-24 aimed at strengthening India's economic status in the 75th year of India's independence. Seven priorities adopted in the budget included inclusive development, reaching the last mile, infrastructure & investment, unleashing the potential, green growth,

youth power and financial sector. RBI expects India's real GDP to grow at 6.5 percent during the financial year 2023-24, on the back of resilient economic activity and evenly balanced risks. Globally, geopolitical issues, high inflation and tight monetary policy conditions will continue to have a negative impact on the growth. Despite global challenges, India will continue to grow and remain resilient against external shocks. India is set to benefit from government's thrust on infrastructure, capital expenditure and increased credit growth. Apart from government expenditure, improving sentiments from private sector and better capacity utilization also hold the key to India's economic growth. CPI inflation is projected at 5.1 percent for 2023-24.

12) Indian Logistics Industry Overview

Logistics sector plays a pivotal role in shaping up the economy by helping in movement of raw materials and finished goods. As India moves towards its goal of becoming a USD 5 trillion economy, the logistics sector will continue to evolve to meet the demands from traditional and new age businesses. The Indian logistics sector is pegged to grow at a rate of 10-12 percent, to USD 380 billion by financial year 2025. India's logistics cost is in the range of 12- 14 percent of GDP which is high as compared to developed economies that typically range 7-8 percent. The Government has taken initiatives that will help reduce the logistics cost to below 10 percent of GDP. These initiatives are in the areas of improving infrastructure, helping to boost domestic manufacturing, providing a digital landscape, and effective policymaking.

India moved up by six places to Rank 38 in the World Bank's logistics ranking. Government's thrust on achieving best-in-class logistics costs and improving trade flows is led by flagship programmes like Make in India, PM Gati Shakti, Dedicated Freight Corridors (DFC) and Production Linked Incentive (PLI) schemes. Additionally, increasing e-commerce penetration provides a strong growth outlook for the sector. Significant opportunities emerge in the logistics value chain – Container trade, Transportation, Express Delivery, Warehousing, Processing and Distribution. The key target themes/areas would include:

- **Manufacturing:** The government has set up Special Economic Zones which would attract foreign investments in the manufacturing sector, along with schemes like 'Make in India' and 'Production Linked Incentive' (PLI) to boost domestic manufacturing. The government is also promoting manufacturing of electronics and IT hardware in India. They are working on a plan for the next decade to position India as semi-conductors manufacturing hub. There is a focus on making India competitive by creating a skilled work force and providing ease of doing business. The government is clear on its agenda of helping India carve its footprint in the global manufacturing landscape.
- **Infrastructure:** Development of country's infrastructure is crucial for the growth of logistics sector in India and the government is giving infrastructure development utmost importance. Under the Bharatmala Pariyojana, the government is looking to build approximately 34,800 kilometers of national highways. Other infrastructure initiatives like the sagarmala project and dedicated freight

corridor will give a boost to the port infrastructure and support high-speed, long-distance movement of cargo through rail. Infrastructure development augurs well for the movement of goods and services.

- **Policy:** In September 2022, the Prime Minister launched the National Logistics Policy (NLP) which acts as a guiding document for States / UTs seeking to formulate logistics policy (19 States / UTs have notified their logistics policy). The policy will enable integration of digital system for smooth cargo movement. It will enable Unified Logistics Interface Platform (ULIP) which will show all available modes of transportation. Furthermore, NLP will create an ecosystem that will simplify rules for logistics businesses and will also enable officers from ministries to monitor logistics projects amongst other things.

Indian economy is a domestic consumption led economy with favorable demographics that acts as a backbone. As demand for goods and service increases, the need for fast and timely delivery also increases. Both consumers and businesses need goods to be delivered at a rapid pace, which is giving rise to new trends in the logistics industry. Key trends in the logistics industry are as follows:

- **Growing e-commerce:** The e-commerce market in India is expected to grow to USD 350 billion in 2030 from USD 74.8 billion in 2022. This shall involve rapid growth in both Business to Business (B2B) and Business to Consumer (B2C) segments. With advancement in broadband technology, internet user base in India is set to expand further. The consumer base for e-commerce is on the rise and the demand for e-commerce from Tier II, III and IV towns is poised to increase. E-commerce is also enabling the small and medium businesses expand their reach.
- **Digitalisation:** Technology and data driven decision making are the future of logistics in India. Both businesses and customers would like to have their goods delivered fast along with transparency and visibility. For logistics companies' things like demand forecasting, warehouse automation and route optimisation are key to improving service delivery. Looking at the increasing pie of B2C in e-commerce, government of India has launched Open Network for Digital Commerce (ONDC) which gives small businesses the exposure to technology and a help, create a level playing field.
- **Express Logistics:** Express delivery is the need of the hour for both businesses and customers. As customers are looking for faster delivery of products with improved visibility, companies are increasingly opting for express delivery for faster and on-time delivery. The growing trend is evident across B2B and B2C verticals.

Logistical services can be bucketed into transportation, warehousing and supply chain management. Transportation is the largest pie within the Indian logistics industry, accounting for ~60-65 percent of logistics costs. The movement of goods in India is tilted heavily towards road transportation which is followed by rail, shipping and air. Road transport moves approximately 70 percent of cargo,

rail moves about 20 percent, followed by shipping and air. Surface transportation offerings include Full Truck Load (FTL), Part Truck Load (PTL) and Express Logistics, which is the fastest growing. FTL players command about 90 percent of the road market share followed by PTL and Express at 7 percent and 3 percent, respectively.

The B2B segment forms a major share of the surface express logistics market with organized players dominating the large accounts while many small businesses and regional clusters are still catered for by smaller unorganized players as well. With growing consumption and e-commerce boom in India, the demand for express logistics is bound to grow from the small and medium as well as retail businesses. Major sectors that contribute to the growth of express industry are auto, pharmaceuticals, e-commerce, consumer durables and apparels, amongst others. Express logistics provide additional benefits to customers like tech-driven offerings, reduced transit time, high reliability, better service quality and high visibility. Many express players are also offering integrated services to clients such as warehousing and supply chain management.

13) Quality

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

14) Directors and Key Managerial Personnel (KMP)

In accordance with the provisions of the Section 152 of the Companies Act, 2013, none of the directors' are liable to retire by rotation during the year under review.

During the current year:

- Mr. Shashi Kiran Shetty (DIN: 00012754) was appointed as Chairman and Additional Director (Non-Executive) of the Company with effect from May 31, 2023.
- Mr. Pirojshaw Aspi Sarkari (DIN: 00820860) was appointed as Managing Director (Additional, Executive) and Chief Executive Officer (KMP) of the Company with effect from May 31, 2023.
- Ms. Vinita Dang Mohoni (DIN: 01919140) was appointed as Additional Director (Non-Executive and Independent) of the Company with effect from June 17, 2023.
- Mr. Adarsh Sudhakar Hegde (DIN: 00035040) resigned from the position of Chairman and Managing Director of the Company with effect from May 31, 2023.
- Ms. Arathi Shetty (DIN: 00088374) resigned from the position of Director (Non-Executive and Non-Independent) of the Company with effect from June 08, 2023.

- Mrs. Sheela Bhide (DIN: 01843547) resigned from the position of Independent Director (Non-Executive) with effect from June 08, 2023.
- Mr. Masaru Kobayashi (DIN: 08960390) resigned from the position of Nominee Director of the company with effect from June 08, 2023.
- Mr. Vibhu Prakash Annaswamy (DIN: 07423494) resigned from the position of Nominee Director of the company with effect from June 08, 2023.

Apart from above, there has been no other changes in the board of directors.

15) Particulars of Employees and related Disclosures

The remuneration paid to your Directors is in accordance with the Nomination and Remuneration Policy as per Section 178 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force).

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

16) Declaration by Independent Directors

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

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

17) Board Evaluation

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

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

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

The performance of non-independent directors, the Chairman of the Company and the board as a whole was

evaluated, taking into account the views of executive directors and non-executive directors.

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

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

18) Separate meetings of the Independent Directors

During the year under review, a meeting of the Independent Directors was convened on March 14, 2023, inter alia, to discuss:

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

19) Particulars of Loans, Guarantees and Investments

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

20) Corporate Social Responsibility (CSR)

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

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

21) Related Party Transactions

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

Further all Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval for normal company transactions is also obtained from the Audit Committee for the related party transactions which are of repetitive nature as well as for the normal company transactions which cannot be foreseen and accordingly

the required disclosures are made to the Committee on quarterly basis in terms of the approval of the Committee.

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

22) Committees of the Board

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

The Company has three Board-level Committees, namely:

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

23) Meetings of the Board & Committees

During the financial year 2022-23, the Board met Five (5) times: on April 07, 2022, May 19, 2022, July 29, 2022, October 31, 2022 and February 06, 2023. The below table gives the attendance of the Directors in the board meetings.

Sl. No	Name of the Director	No. of Board meetings entitled to attend	No. of Board meetings attended
1.	Mr. Adarsh Sudhakar Hegde*	5	5
2.	Mr. Nilesh Shivji Vikamsey	5	5
3.	Mr. Dinesh Kumar Lal	5	5
4.	Ms. Sheela Bhide#	5	5
5.	Mrs. Arathi Shetty#	4	2
6.	Mr. Vibhu Prakash#	5	4
7.	Mr. Masaru Kobayashi#	5	5
8.	Mr. Shashi Kiran Shetty@	NA	NA
9.	Mr. Pirojshshaw Aspi Sarkari§	NA	NA
10.	Ms. Vinita Dang Mohoni %	NA	NA

*Resigned from the position of Chairman and Managing Director of the company w.e.f. May 31, 2023.

#Resigned from the board of the company w.e.f. June 08, 2023.

@Appointed as Chairman & Non-Executive Director of the Company w.e.f. May 31, 2023.

§Appointed as Managing Director & Chief Executive Officer of the Company w.e.f. May 31, 2023.

%Appointed as Independent Director (Non-Executive) of the Company w.e.f. June 17, 2023.

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

- a) **Audit Committee** – The committee met four times on May 19, 2022, July 29, 2022, October 31, 2022 and February 06, 2023.
- b) **Nomination & Remuneration Committee** – The Committee met once on May 19, 2022.
- c) **Corporate Social Responsibility Committee** – The Committee met once on May 19, 2022.

24) Audit Committee

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

Sl. No	Name	Position
1.	Mr. Nilesh Shivji Vikamsey	Chairman
2.	Ms. Vinita Dang Mohoni	Member
3.	Mr. Dinesh Kumar Lal	Member

25) Nomination & Remuneration Committee

Pursuant to the provisions of the Companies Act, 2013 and rules made thereunder, your company has re-constituted Nomination & Remuneration Committee during the current year, comprising of the following Members:

Sl. No	Name	Position
1.	Mr. Dinesh Kumar Lal	Chairman
2.	Mr. Nilesh Shivji Vikamsey	Member
3.	Ms. Vinita Dang Mohoni	Member

26) Corporate Social Responsibility Committee

Pursuant to the provisions of the Companies Act, 2013 and rules made thereunder, your company has re-constituted Corporate Social Responsibility Committee during the current year, comprising of the following Members:

Sr. No.	Name	Position
1.	Ms. Vinita Dang Mohoni	Chairperson
2.	Mr. Dinesh Kumar Lal	Member
3.	Mr. Pirojshaw Aspi Sarkari	Member

27) Vigil Mechanism

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

The Policy also provides protection to the employees and business associates who report unethical practices and irregularities.

28) Policy on prevention of Sexual Harassment at workplace

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

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

During the year under review, the Company was in receipt of one complaint under POSH, and the same stands resolved under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

29) Directors' Responsibility Statement

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind-AS) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair value, the provision of the Act (to the extent notified). The Ind-AS are prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 effective April 01, 2016, the company has adopted all the Ind-AS standards and the adoption was carried out in accordance with applicable transition guidance. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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

1. That in the preparation of the Annual Accounts for the financial year ended March 31, 2023, the applicable accounting standards and schedule III of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force), have been followed along with the proper explanation relating to material departures;
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the profit and loss of the Company for the financial year ended March 31, 2023;
3. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force), for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the accounts have been prepared on 'going concern' basis, for the financial year ended March 31, 2023;
5. That the Company, had laid down internal financial controls and that such internal financial controls are adequate and were operating effectively;

6. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

30) Extract of Annual Return

Pursuant to sub-section (3) of Section 92 of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as at March 31, 2023 in Form MGT-7 is available on the website of the Company at www.gatikwe.com

31) Development and Implementation of Risk Management Policy

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

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

32) Internal Control Systems and their Adequacy

Your Company has in place an adequate system of internal controls commensurate with its size and nature of operations, along with a well-defined organization structure, documented policy guidelines and procedures, as well as pre-defined delegation of authority covering all corporate functions and all operating units. These internal controls are designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the adequacy of protecting the company's assets from unauthorized use or losses, the reliability of financial controls and compliance with applicable laws and regulations.

Adequate internal control measures are in the form of various policies and procedures issued by the management covering all critical and important activities viz. Contract Management, Operations, Procurement, Finance, Human Resources, Safety etc. These policies and procedures are updated from time to time and compliance is monitored by Internal Audit function. The company has continued its efforts to align all its processes and controls with global and industry best practices. The internal audit function based on the audits of operating units and corporate functions, highlights various risks and provides constructive recommendations on a regular basis for the Operating Units to improve on moderate and high-risk areas.

The effectiveness of internal controls is reviewed through the internal audit process, which is undertaken for every Operating Unit and all major corporate support functions under the direction of the Head Internal Audit. The focus of these reviews is as follows:

- Identify weaknesses and areas of improvement
- Compliance with defined policies and processes
- Safeguarding of tangible and intangible assets
- Management of business and operational risks
- Compliance with applicable statutes
- Compliance with the Code of Conduct

The Audit Committee of the Board oversees the adequacy of the internal control environment through regular reviews of the audit findings and monitoring implementations of internal audit recommendations through the action taken reports submitted to them. A gist of the significant features of the internal controls is as follows:

- The Audit Committee comprising of Independent Directors and Non-Executive Directors, regularly reviews the audit plans, significant audit findings, implementations of internal audit recommendations, adequacy of internal controls, compliance with accounting standards as well as reasons for changes in accounting policies and practices, if any.
- A well-established and independent Internal Audit team consisting of professionally qualified accountants and functional specialists who are empowered to examine/audit the adequacy, relevance and effectiveness of the control systems, compliance with policies, plans and statutory requirements.
- Process narratives and Risk Control Matrix for all major business processes and testing thereof including financial closing, IT General Controls and Entity Level controls which are reviewed for improvements.
- Continual programmes to reinforce the Code of Business Conduct & Ethics are conducted regularly across the organisation.
- Anti-fraud programmes including whistle blower mechanisms are operative across the company.

The Board takes responsibility for the overall process of risk management throughout the organisation. During the financial reporting period ending March 2023, the company has conducted an assessment of the effectiveness of the internal financial control over financial reporting and it has in place, adequate internal financial controls with reference to financial statements, commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed and the controls are continuously reviewed for improvements.

33) Governance, Compliance and Business Integrity

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

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

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

34) Auditors

a) Statutory Auditors

M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 101049W/E300004) appointed as Statutory Auditors of the Company at the 15th Annual General Meeting ("AGM") till the conclusion of the 20th AGM of the company to be held in the year 2027 in terms of Section 139 & 141 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

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

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

The Auditors' Report for the financial year ended March 31, 2023 on the financial statements of the Company is a part of this Annual Report. The Auditors have given an unqualified opinion on the financial statements of the Company.

b) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. Puttaparthi Jagannatham & Co., as Secretarial Auditor to undertake the Secretarial Audit of your Company. The Report of the Secretarial Audit is annexed as **Annexure – C**.

35) Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

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

36) Human Resources

Nurturing human capital is of utmost importance for your company and it focusses on building a skilled resource pool while providing a healthy and safe environment for the employees to grow. The organisation had initiated project NEEV which is based on the principles of inclusion, empowerment and unity in variety. The idea is to enhance employee engagement, focus on the learning & development programme, improve processes, employee effort and productivity, provide adequate infrastructure and hygiene and save on cost and time. The entire talent management process is based on the concept of three E's which are education, experience and exposure.

During the year under review there was a focused approach on learning and development (L&D) programme. The L&D programme was implemented across all levels in the organisation, starting from executives to senior leadership. Along with the L&D programme, employees are also given exposure and opportunities to grow within the organisation. As a result of all key initiatives, attrition rate has gone down to 18% in financial year 2022-23 as compared to 29% in financial year 2021-22. Human Resource is a key enabler for the organisation and plays a pivotal role in achieving organisational goals. Going forward, there will be emphasis on providing holistic development platform for the employees. Key focus areas will be on talent management and career planning for high posts, continuous employee engagement and wellness initiatives and maintaining robust HR processes.

37) Employees Stock Appreciation Rights ("ESARs")

During the year under review, the Holding Company granted ESARs to 21 eligible employees of the Company in addition to the ESARs granted during the previous year to 34 eligible employees of the Company under Gati-Employees Stock Appreciation Rights Plan 2021 ("ESAR Plan 2021"), with a view to attract and retain the senior talents and reward them for their performance and to contribute to the growth & profitability of the Company.

The aforesaid ESARs shall vest to respective eligible employees as per the vesting schedule as per the ESAR Plan 2021 of the Holding Company.

38) General

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise;
2. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;
3. During the period under review, none of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143 (12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force);

4. The Company has complied with Secretarial Standards (i.e.) SS-1 and SS-2, relating to Meetings of the Board of Directors and General Meetings, issued by the Institute of Company Secretaries of India.
5. There were no material changes commitments affecting the financial position of the Company between the end of financial year (March 31, 2023) and the date of the report (July 21, 2023);
6. During the year under review, your Company did not accept any public deposits.
7. The company does not have any subsidiaries, joint venture or associate companies.
8. Company is not required to maintain cost records under Section 148(1) of the Companies Act, 2013.

Acknowledgement

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

By order of the Board of Directors
For **Gati-Kintetsu Express Private Limited**

Shashi Kiran Shetty
Chairman
DIN: 00012754

Place: Hyderabad
Date: July 21, 2023

Annexure – A

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided below:

Sr. No.	Name	Designation	Date of Joining	Remuneration (₹ In Lacs p.a.)
1.	Mr. Pirojshaw Aspi Sarkari	Chief Executive Officer	August 02, 2021	282.79
2.	Mr. G S Ravi Kumar	Chief Information Officer	December 11, 2000	166.95
3.	Mr. Adarsh Hegde	Managing Director	October 05, 2020	150.00
4.	Mr. Charles Devlin D Costa	Chief Transformation Officer	November 09, 2020	105.36
5.	Mr. Huaifred Farrokh Nasarwanji	Chief Commercial Officer	October 25, 2021	104.37
6.	Mr. Mehernosh Nariman Mehta	Chief HR Officer	December 01, 2021	88.81
7.	Mr. Anurag Agarwal	Vice President North	November 18, 2013	72.12
8.	Mr. Byju Ramakrishnan	AVP - IT	July 22, 2019	60.41
9.	Mr. Ajay Kumar	Vice President West	July 27, 1996	59.82
10.	Mr. Swarup Negi	National Sales Head - MSME Retail &Strategic	January 03, 2022	56.69

By order of the Board of Directors
For **Gati-Kintetsu Express Private Limited**

Shashi Kiran Shetty
Chairman
DIN: 00012754

Place: Hyderabad
Date: July 21, 2023

Annexure -B

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FY 2022-23

1. Brief outline on CSR Policy of the Company:

The Company strives to be a socially responsible corporate by fulfilling its responsibilities as a member of the society and community, thereby creating a positive impact to the stakeholders with a concern towards the environment. The programs include Education, Community, Environment Sustainability and Rural Development Projects & Donations.

2. Composition of CSR Committee:

Sl. No.	Name of the Director	Designation and Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Vibhu Prakash Annaswamy #	Chairman-Nominee Director	1	1
2	Ms. Sheela Bhide #	Member – Non Executive Independent Director	1	1
3	Mr. Adarsh Hegde*	Member- Managing Director	1	1
4	Ms. Vinita Dang Mohoni%	Chairperson- Additional Non Executive Independent Director	NA	NA
5	Mr. Dinesh Kumar Lal@	Member – Non Executive Independent Director	NA	NA
6	Mr. Pirojshaw Aspi Sarkari\$	Member- Managing Director & Chief Executive Officer	NA	NA

Resigned from the board of the company w.e.f. June 08, 2023.

* Resigned from the position of Chairman and Managing Director of the company w.e.f. May 31, 2023.

% Appointed as Independent Director (Non-Executive) of the Company w.e.f. June 17, 2023.

@ Appointed as Member of the Corporate Social Responsibility Committee w.e.f. June 17, 2023.

\$ Appointed as Managing Director & Chief Executive Officer of the Company w.e.f. May 31, 2023.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Composition of the CSR committee shared above and is available on the Company's website at <https://www.gati.com>

CSR Policy <https://www.gati.com/wp-content/uploads/2021/06/CSR-Policy.pdf>

CSR Projects <https://www.gati.com/csr/>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

No Impact assessment was carried out by the company during the year as the company does not have an average CSR Obligation of ₹ 10 crore or more in 3 preceding Financial years.

5. (a) Average net profit of the Company as per sub-section (5) of Section 135: ₹ (3,49,01,129)/-
- (b) Two percent of average net profit of the Company as per sub-section (5) of section 135: ₹ (6,98,023)/-
- (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: NIL
- (d) Amount required to be set off for the financial year, if any: NIL
- (e) Total CSR obligation for the financial year [5(b)+5(c)-5(d)]: NIL
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 12,05,417/-(Other than ongoing) (Table-A of CSR spent against recurring CSR expenses attached hereunder)
- (b) Amount spent in Administrative Overheads: NIL
- (c) Amount spent on Impact Assessment, if applicable: NIL
- (d) Total amount spent for the Financial Year [6(a)+6(b)+6(c)]: ₹ 12,05,417/-

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6) of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) of the Act		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
12,05,417/-	NIL	N/A	N/A	NIL	N/A

(f) Excess amount for set off, if any: NIL

Sl. No.	Particular	Amount (In ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per Section 135(5)	
(ii)	Two percent of average net profit of the Company as per Section 135(5)	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

7. Details of Unspent CSR amount for the preceding three financial years: NIL

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6)	Balance Amount in Unspent CSR Account under Section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to a Fund as specified under Schedule VII as per second proviso Section 135(5), if any Amount Date of Transfer	Amount remaining to be spent in succeeding financial years	Deficiency, if any

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes: No:

If Yes, enter the number of Capital assets created/ acquired: NIL

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: NIL

(1)	(2)	(3)	(4)	(5)	(6)		
Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Amount transferred to a Fund as specified under Schedule VII as per second proviso Section 135(5), if any	Deficiency, if any	
					CSR Registration Number, if applicable	Name	Registered address

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

As per the provisions of section 135 of the Companies Act, 2013 if the average net profit of the Company for the previous three financial years is negative, then in such a case, the company has no obligation to contribute towards CSR for FY 2022-23 though there was recurring CSR expenses to be incurred by the Company year-on-year therefore company has spent 12,05,417/- in FY 2022-23.

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project (State & District)	Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency (Name & CSR Reg. No.)
1	Gati Government High School, Banjara Hills, Hyderabad	Education	Yes	Hyderabad, Telangana	5,25,559/-	Direct	NA
2	Gati Government High School, Banjara Hills, Hyderabad	Education	Yes	Hyderabad, Telangana	84,000/-	Direct	NA
3	Gati Government High School, Banjara Hills, Hyderabad and Zilla Parishad High School, Miyapur, Hyderabad	Education	Yes	Hyderabad, Telangana	1,15,560/-	Direct	NA
4	Zilla Parishad High School, Miyapur, Hyderabad	Education	Yes	Hyderabad, Telangana	2,68,566/-	Direct	NA
5	Kardex Facilities Services Pvt. Ltd.	Education	Yes	Hyderabad, Telangana	2,11,732/-	Direct	NA
Total					12,05,417/-		

Place: Hyderabad
Date: July 21, 2023

Shashi Kiran Shetty
Chairman
DIN: 00012754

Vinita Dang Mohoni
Chairperson - CSR Committee
DIN: 01919140

Annexure-C

Form No. MR-3

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

SECRETARIAL AUDIT REPORT

For the Financial Year Ending 31st March, 2023

To
**The Members of
Gati-Kintetsu Express Private Limited**

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

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

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

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

(vi) Other Specifically applicable laws to the Company in respect of which we relied on the Internal Audit report and noted relevant compliances and observations made by the Internal Auditor:

- (a) Carriage of Goods by Road Act, 2007
- (b) Carriage of Goods by Air Act, 1972
- (c) Carriage of Goods by Sea Act, 1925
- (d) Motor Transport Workers Act, 1961
- (e) Motor Vehicles Act, 1988
- (f) Fatal Accidents Act, 1855
- (g) The Factories Act, 1948
- (h) Multimodal Transportation of Goods Act, 1993
- (i) Railway Act, 1989
- (j) The Air (Prevention and Control of Pollution) Act, 1981
- (k) The Water (Prevention and Control of Pollution) Act, 1974
- (l) Control of National Highways (Land and Traffic) Act, 2002

We further report that:

- (i) based on the information provided by the Company, its officers, and its authorized representatives during the conduct of the audit and also on review of quarterly reports by respective Department Heads/ Company Secretary/ CEO/ CFO taken on record by the Board of Directors of the Company, adequate systems and processes and control mechanism exist in the company to monitor and ensure the compliance of with the applicable general laws like Labour laws, competition law and environment laws.
- (ii) the Compliance by the Company of applicable financial laws like direct and indirect laws has not been reviewed in this Audit since the same have been subject to review by Statutory Financial Audit and Other designated professionals.
- (iii) the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors.

- (iv) adequate notice is given to all Directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent electronically well in advance or shorter consent were taken in other cases, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (v) all the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that:

- (i) there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

- (ii) there were no specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs except as reported in the Financial Audit Report.

For **Puttaparthi Jagannatham & Co.**
Company Secretaries

CS Navajyoth Puttaparthi

Partner

FCS No: 9896; C P No: 16041

Peer Review Certificate No. 1158/2021

UDIN: F009896E000306401

Place: Hyderabad

Date: 15th May, 2023

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

'ANNEXURE A'

To
The Members of
Gati-Kintetsu Express Private Limited

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

- Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

- Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Puttaparthi Jagannatham & Co.**
Company Secretaries

CS Navajyoth Puttaparthi

Partner

FCS No: 9896; C P No: 16041

Peer Review Certificate No. 1158/2021

UDIN: F009896E000306401

Place: Hyderabad

Date: 15th May, 2023

Annexure-D

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

A) Conservation of Energy:

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

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

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

B) Technology Absorption:

e-Docket: Gati has rolled out first of its kind Paper-less Shipment Booking Process (e-AWB) for retail customers. The docket (AWB) is captured through a Mobile Application and the docket (AWB) is shared to customer as PDF via email and WhatsApp. This implementation has been very successful with 99% plus compliance. This project not only eliminates paper but has enhanced the data accuracy and governance. As a next phase the e-docket facility is being extended to our MSME and Strategic Credit Customers in the coming Financial Year.

GEMS 2.0: Your company has signed up with a Leading Global Technology Company to revamp the entire core Operational System ie Gati Enterprise Management System (GEMS). This would be a major transformational project titled GEMS 2.0. This project GEMS 2.0 not only be state of art product but also would make Gati fully digital. GEMS 2.0 would be designed, developed and rolled out as modules like Pickup, Deliver, En-route, Customer Contracts, Invoicing etc., in phases over the next two years.

e-POD (Electronic - Proof of Delivery): Our delivery mobile application has been enhanced with Machine Learning (ML) features to ensure quality e-POD through necessary image validation rules. Concept has been successfully piloted in multiple operating units and pan India roll out would be completed by Q1FY24.

C) Foreign Exchange earnings and outgo:

The company had following Foreign exchange earnings and outgo during the year 2022-23:

Particulars	Amount in ₹
Inward Remittance	85,24,839
Outward Remittance	24,10,289

Independent Auditor's Report

To the Members of Gati Kintetsu Express Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Gati Kintetsu Express Private Limited ("the Company") which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its losses including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those charged for Governance 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, cash flows and changes in equity 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Other Matter

The financial statements of the Company for the year ended March 31, 2022, included in these financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 19, 2022.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the Managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 36(i)(a) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or

invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and

appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

- v. No dividend has been declared or paid during the year by the Company.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per Aniket A Sohani

Partner

Membership No.: 117142

UDIN: 23117142BGYJAY5648

Mumbai

May 15, 2023

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date on the Financial Statements of Gati Kintetsu Express Private Limited ("the Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a) (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 17 to the financial statements are held in the name of the Company except one of immovable properties as indicated below as at March 31, 2023 for which title deeds were not available with the Company and hence we are unable to comment on the same.

(Amount In lakhs)

Description of Property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company
Freehold Land including building located thereon (Peenya Industrial Area, Bengaluru)	4,691	Gati Limited (Holding Company)	No	Since 2012	The asset was transferred to the Company pursuant to the business transfer arrangement with Gati Limited and the same is in the process of sale.

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company
- (b) As disclosed in note 23 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns / statements filed by the Company with such banks and financial institutions are in agreement with the unaudited books of accounts of the Company
- (iii) (a) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which had fallen due during the year.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of Sections 185 and 186 of the Act, are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the products / services of the Company.
- (vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provision of Sales-tax, service tax, duty of custom, duty of excise, value added tax are not applicable to the Company.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of the customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:-

(Amount in lakhs)

Name of statute	Nature of dues	Amount	Period to which amount pertains	Forum where dispute is pending
Income Tax Act, 1961	Income tax	343.41	AY-2014-15	Income Tax Appellate Tribunal Commissioner (Appeals)
Indirect Taxes	Sales Tax	322.6	2013-14, 2014-15, 2015-16, 2016-17, 2017-18	Assistant Comm, Commercial Tax, Mobile Squad Unit-4 Commercial Tax Mathura

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) On an overall examination of financial statements of the Company, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (x) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.

- (xiii) Transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report

on Clause 3(xviii) of the Order is not applicable to the Company.

- (xix) On the basis of the financial ratios disclosed in note 48 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting for this clause 3(xxi) of the Order is not applicable for reporting by the Company as it does not have any subsidiary, associate or joint venture hence reporting under CARO 2020 is not applicable to it.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per Aniket A Sohani

Partner

Membership No.: 117142

UDIN: 23117142BGYJAY5648

Mumbai
May 15, 2023

Annexure '2' to the Independent Auditor's Report of Even Date on the Financial Statements of Gati Kintetsu Express Private Limited

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

We have audited the internal financial controls with reference to financial statements of Gati Kintetsu Express Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the

Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

A Company's internal financial controls with reference to 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 controls with reference to 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 With Reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per Aniket A Sohani

Partner

Membership No.: 117142

UDIN: 23117142BGYJAY5648

Mumbai
May 15, 2023

Balance Sheet

as at March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, Plant and Equipment	3	5,820	4,179
Right-of-use Asset	4	18,224	16,739
Goodwill	5	12,506	12,506
Other Intangible Assets	6	333	450
Intangible Assets under Development	7	59	59
Financial Assets			
Other Financial Assets	8	1,039	871
Deferred Tax Assets, net	9	2,623	2,769
Tax Assets, net	10	6,022	6,525
Other Non-Current Assets	11	34	31
		46,660	44,129
Current assets			
Financial Assets			
Trade Receivables	12	26,237	22,479
Cash and Cash Equivalents	13	1,562	926
Other Bank Balances	14	86	27
Other Financial Assets	15	1,595	1,800
Other Current Assets	16	2,649	2,909
Total current assets before assets held for sale		32,129	28,141
Assets held for sale	17	4,965	8,127
		37,094	36,268
Total assets		83,754	80,397
Equity and Liabilities			
Equity			
Equity Share Capital	18	50	50
Other Equity	19	24,430	25,570
		24,480	25,620
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	20	1	750
Lease Liabilities	21	16,008	14,000
Provisions	22	1,871	1,506
		17,880	16,256
Current liabilities			
Financial Liabilities			
Borrowings	23	14,600	14,080
Lease Liabilities	21	3,566	3,195
Trade Payables	24		
(a) Total outstanding dues of Micro and Small Enterprises		1,128	1,570
(b) Total outstanding dues of creditors other than Micro and Small Enterprises		8,184	8,353
Other Financial Liabilities	25	11,107	9,205
Other Current Liabilities	26	1,496	1,593
Provisions	22	1,313	525
		41,394	38,521
Total liabilities		59,274	54,777
Total equity and liabilities		83,754	80,397
Significant accounting policies	2		

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants
ICAI Firm Registration No: 101049W/E300004

Aniket A Sohani

Partner
Membership no: 117142

Place: Mumbai
Date: May 15, 2023
UDIN: 23117142BGYJAY5648

For and on behalf of the Board of Directors of
Gati Kintetsu Express Private Limited

Adarsh Hegde

Chairman & Managing Director
DIN: 00035040

Anish T Mathew

Chief Financial Officer
M. No. 211965

Place: Hyderabad
Date: May 15, 2023

Pirojshaw Sarkari

Chief Executive Officer

T S Maharani

Company Secretary
M No. F8069

Statement of Profit and Loss

for the year ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

Particulars	Notes	Year Ended March 31, 2023	Year Ended March 31, 2022
(I) INCOME			
Revenue from Operations	27	1,46,887	1,24,232
Other Income	28	1,783	1,082
TOTAL INCOME (I)		1,48,670	1,25,314
(II) EXPENSES			
Operating Expenses	29	1,05,795	91,196
Employee Benefits Expense	30	18,508	15,291
Finance Costs	31	2,998	2,220
Depreciation and Amortization Expense	32	5,855	3,217
Other Expenses	33	15,354	14,177
TOTAL EXPENSES (II)		1,48,510	1,26,101
(III) PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)		160	(787)
(IV) Exceptional Items	34	(893)	2,518
(V) PROFIT/(LOSS) BEFORE TAX (III-IV)		1,053	(3,305)
(VI) TAX EXPENSES	35		
Current Tax		1,273	215
Deferred Tax		346	(241)
Tax related to earlier years		(23)	727
TOTAL TAX EXPENSES		1,596	701
(VII) PROFIT/(LOSS) FOR THE YEAR (V-VI)		(543)	(4,006)
(VIII) OTHER COMPREHENSIVE INCOME (OCI)			
Items not to be reclassified to profit or loss in subsequent periods:			
a) Re-Measurement gains/(losses) on defined benefit plans		(798)	(418)
b) Income tax effect on above item		201	105
OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX)		(597)	(313)
(IX) TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VIII+VII)		(1,140)	(4,319)
EARNINGS PER EQUITY SHARE	41		
[Nominal value per share ₹ 10/- (March 31, 2022: ₹ 10/-)]			
Basic (in ₹)		(108.63)	(801.23)
Diluted (in ₹)		(108.63)	(801.23)
Significant accounting policies	2		

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants
ICAI Firm Registration No: 101049W/E300004

Aniket A Sohani

Partner
Membership no: 117142

Place: Mumbai
Date: May 15, 2023
UDIN: 23117142BGYJAY5648

For and on behalf of the Board of Directors of
Gati Kintetsu Express Private Limited

Adarsh Hegde

Chairman & Managing Director
DIN: 00035040

Anish T Mathew

Chief Financial Officer
M. No. 211965

Place: Hyderabad
Date: May 15, 2023

Pirojshaw Sarkari

Chief Executive Officer

T S Maharani

Company Secretary
M No. F8069

Cash Flow Statement

for the year ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

PARTICULARS	Year ended March 31, 2023	Year ended March 31, 2022
(A) Cash flows from Operating Activities		
Profit/(Loss) Before Taxes and after exceptional items as per Statement of Profit and Loss	1,053	(3,305)
Adjustments for :		
Depreciation & Amortization expense	5855	3217
Finance costs	2998	2220
Net (gain)/ loss on sale of Property, plant & equipment	(21)	194
Impairment charged/(reversed) in the realisable value of Non-core assets	(1,203)	850
Net Loss/(Gain) on disposal of Non-core Assets	(225)	(15)
Loss on write off of Property, Plant & Equipments	535	-
Interest Income from deposits with Bank	(6)	(19)
Interest Income from unwinding of financial assets	(89)	(18)
Interest on Income tax refund	(149)	(241)
Allowance for expected credit loss	2406	1514
Allowance for Other Financial Assets	27	11
Bad debts and irrecoverable balances written off (net of allowances)	124	58
Provision for GST related expenses (Net of amount paid)	-	1189
Net (gain)/loss on lease modification	(22)	47
Liabilities no longer required - written back	(1,467)	(793)
Expenses related to Share based payment schemes	836	31
Operating profits before working capital changes	10,652	4,940
Increase in Trade Receivables	(5,678)	(5,277)
Decrease in Other Current Assets	260	174
Decrease in Other Current Financial Assets	178	1,023
Increase in Other Non Current Financial Assets	(261)	(857)
(Increase) / Decrease in Other Non-Current Assets	(8)	14
Decrease in Other current Liabilities	(63)	(866)
Increase in Trade Payables	15	2,141
Increase in Short Term Provisions	788	148
Increase / (Decrease) in Other Current Financial Liabilities	934	(833)
Increase / (Decrease) in Non Current Provisions	(433)	24
Cash generated from operations	6,384	631
Direct Taxes paid (net of refunds)	(870)	370
Net Cash Flows generated from Operating Activities	5,514	1,001
(B) Cash Flow from Investing Activities		
Expenditure on Property, Plant and equipment including Capital work in progress	(3,226)	(846)
Proceeds from sale of Property Plant and Equipment	81	141
Proceeds from sale of non-core assets	4,611	1,352
Interest Received	155	24
(Investment in)/Proceeds from bank Fixed Deposit (Net)	(61)	1,055
Net Cash Flows generated from Investing Activities	1,560	1,725

Cash Flow Statement

for the year ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

PARTICULARS	Year ended March 31, 2023	Year ended March 31, 2022
(C) Cash Flow from Financing Activities		
Repayment of Long Term Borrowings	(1,013)	(457)
Proceeds/(Repayment) of Short term borrowings (Net)	784	(459)
Interest paid	(1,266)	(1,260)
Payment of interest on Lease liabilities	(1,647)	(962)
Payment of Principal portion of Lease liabilities	(3,295)	(1,677)
Net Cash Flows used in Financing Activities	(6,437)	(4,815)
Net Increase / (Decrease) in cash and cash equivalents (A + B + C)	637	(2,089)
Cash and Cash equivalents at the beginning of the year	926	3,014
Cash and Cash equivalents at the end of the year	1,562	926

Notes :

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

PARTICULARS	As at March 31, 2023	As at March 31, 2022
Cash on Hand	5	4
Balances with Banks in Current Accounts	1,557	922
Cash & Cash Equivalent as per Balance sheet (refer note no 13)	1,562	926

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants
ICAI Firm Registration No: 101049W/E300004

Aniket A Sohani

Partner
Membership no: 117142

Place: Mumbai
Date: May 15, 2023
UDIN: 23117142BGYJAY5648

For and on behalf of the Board of Directors of
Gati Kintetsu Express Private Limited

Adarsh Hegde

Chairman & Managing Director
DIN: 00035040

Anish T Mathew

Chief Financial Officer
M. No. 211965

Place: Hyderabad
Date: May 15, 2023

Pirojshaw Sarkari

Chief Executive Officer

T S Maharani

Company Secretary
M No. F8069

Statement of Changes in Equity

for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

A) Equity Share Capital

Particulars	No. of Shares	Amount
Balance as at March 31, 2021	5,00,000	50
Add/(Less): Changes in Equity Share Capital for the year ended March 31, 2022	-	-
Balance as at March 31, 2022	5,00,000	50
Add/(Less): Changes in Equity Share Capital for the year ended March 31, 2023	-	-
Balance as at March 31, 2023	5,00,000	50

B) Other Equity

Particulars	Reserves and Surplus			Total
	Securities Premium	General Reserve	Retained Earnings	
Balance as at March 31, 2022	17,836	1,720	6,014	25,570
Profit/(Loss) for the year	-	-	(543)	(543)
Remeasurement gain/(loss) (net of deferred tax)	-	-	(597)	(597)
Balance as at March 31, 2023	17,836	1,720	4,874	24,430

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

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants
ICAI Firm Registration No: 101049W/E300004

Aniket A Sohani

Partner
Membership no: 117142

Place: Mumbai
Date: May 15, 2023
UDIN: 23117142BGYJAY5648

For and on behalf of the Board of Directors of
Gati Kintetsu Express Private Limited

Adarsh Hegde

Chairman & Managing Director
DIN: 00035040

Anish T Mathew

Chief Financial Officer
M. No. 211965

Place: Hyderabad
Date: May 15, 2023

Pirojshaw Sarkari

Chief Executive Officer

T S Maharani

Company Secretary
M No. F8069

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

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 Office at 4th Floor, A Wing, Allcargo House, CST Road, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra and Corporate Office at 4th floor, Western Pearl, Survey No.13(P), Kondapur, Hyderabad - 500084, Telangana, India. The Company is India's pioneer and leader in Express Distribution and Supply Chain solutions. The business was transferred from Gati Limited on April 01, 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.

1) Basis of Accounting

1.1 Statement of Compliance

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

1.2 Basis of Measurement

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

- Financial Instruments - Measured at Fair value/ Amortised cost;
- Plan Assets under defined benefit plans—Measured at fair value;
- Employee Share based payments – Measured at fair value

1.3 Functional and Presentation Currency

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

1.4 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

1.5 Current Vs Non-Current Classification

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

- Expected to be realized or intended to sell or consume 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.

1.6 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1st, 2023, as below:

- i. **Ind AS 1 – Presentation of Financial Statements:** The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

policy information together with other information is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

- ii. **Ind AS 12 – Income Taxes:** The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.
- iii. **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors:** The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

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

2) 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.

2.1 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 acquisition cost net of accumulated depreciation and cumulative impairment losses, if any.
- The initial cost at cash price equivalent of property, plant and equipment acquired comprises its purchase price after deducting trade discounts and rebates, including import duties and non-refundable purchase taxes, any directly attributable costs of bringing the assets to its working condition and location and present value of any obligatory decommissioning costs for its intended use. Administrative, Borrowing 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 classified as capital advances under Other Non-current Assets.

Non-current assets held for sale

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

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

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

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 as follows:

Category	Useful lives (in years)
Building	30 to 60
Plant and machinery	5 to 15
Vehicles – Cars	8
Commercial Vehicles	8
Furniture and fixtures	10
Computers	3 to 6
Office equipments	3 to 5

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- Freehold land is not depreciated.
- Intangible assets are amortised on straight line basis over its estimated useful life.
- 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).
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if required.

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.

2.2 Intangible Assets:

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

Estimated economic useful lives of the intangible assets is 3 to 6 years.

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

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

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

2.3 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 identifiable 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 2.4 Impairment of assets.

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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

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

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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.

2.4 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 to the extent previously recognized in P&L and remaining amount transferred to reserves.
- b) Assets that are subject to depreciation and amortisation are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.
- c) An entity shall test an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment, irrespective of whether there is any indication of impairment. This impairment test may be performed at any time during the year, provided it is performed at the same time every year.
- d) CGUs to which goodwill is allocated are tested for impairment annually on each balance sheet date, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit and then to the other assets of the unit pro rata on the basis of carrying amount of each asset in the unit. Goodwill impairment loss recognized is not reversed in subsequent period.

2.5 Foreign currency Transactions:

- a) The financial statements are presented in Indian Rupee (INR), which is the functional and presentation currency of the Company.

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

2.6 Revenue recognition:

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

a) Freight services:

Revenue has been recognized when control over the services transfers to the customer i.e., when the customer has the ability to control the use of the transferred services provided and generally derive their remaining benefits. The requirement is that a contract with enforceable rights and obligations exists and, amongst other things, the receipt of consideration is likely, taking-into-account the customer's credit quality. The revenue corresponds to the transaction price to which the Company is expected to be entitled. Variable consideration is included in the transaction price when it is highly probable that a significant reversal in the amount of revenue recognised will not occur and as soon as the uncertainty associated with the variable consideration no longer exists. The Company does not expect to have contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. Accordingly, the promised consideration is not adjusted for the time value of money.

b) Others:

- i. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and amount of income can be measured reliably.

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- II. Rent income is recognised on a straight-line basis over the period of the lease.
- III. Reimbursement of cost is netted off with the relevant expenses incurred, since the same are incurred on behalf of the customers.
- IV. Business support charges are recognized as and when the related services are rendered.

2.7 Contract Balances:

Contract balances include trade receivables, contract assets and contract liabilities.

Trade receivables:

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade receivables are separately disclosed in the financial statements.

Contract assets:

Contract asset includes the costs deferred for express distribution operations relating to cargo transportation operations where company's performance obligation is yet to be completed. Additionally, a contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the company performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

2.8 Financial instruments:

A financial instrument is, any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for 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 (FVTOCI); 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 (FVTPL), financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

• Financial assets at amortized cost:

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

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

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

• Financial assets at fair value through other comprehensive income (FVTOCI):

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 FVTOCI-equity investment). This election is made on an investment-by-investment basis.

Financial assets are measured at the (FVTOCI) 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 FVTOCI 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 FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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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 FVTOCI	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

determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortisation.

a) Initial Recognition & Subsequent measurement:

- **Financial liabilities recognized at fair value through profit or loss (FVTPL):**

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

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

b) Financial guarantee liability:

Financial guarantee contracts issued by the Company are those contracts that requires a payment to be made to 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

(iii) Impairment of Financial Assets:

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets which are not fair valued through Statement of Profit and Loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL at each reporting date, right from its initial recognition. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime ECL. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

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

(iv) De-recognition:

a) Financial Assets:

The Company derecognizes a financial asset only

- when the contractual rights to the cash flows from the asset expire, or
- It transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred

Notes to Financial Statements

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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.

2.9 Fair Value measurement:

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

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

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

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

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3- inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

2.10 Employee benefits:

a) Current employee benefits

Employee benefits payable wholly within twelve months of availing employee services are classified as current employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of current employee benefits such as salaries and wages, bonus and ex-gratia to be paid in exchange of employee services are recognized in the period in which the employee renders the related service.

b) 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.

c) 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.

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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.

d) 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.

e) 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.

2.11 Taxes:

a) Income Tax:

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 other comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

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.

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities in financial statements and their corresponding tax bases. Deferred tax assets are recognized for deductible temporary differences, unused tax credits, and tax losses, but only to the extent that it is probable that taxable profit will be available to offset them. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced if it becomes unlikely that sufficient taxable profit will be available. Unrecognized deferred tax assets are reassessed at each reporting date and recognized if it becomes probable that future taxable profits will allow their recovery.

Deferred tax related to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss, either in other comprehensive income or directly in equity. Deferred tax liabilities and assets are measured using the tax rates expected to apply when the liability is settled or the asset is realized, based on tax rates and laws enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

tax liabilities and assets is reviewed at the end of each reporting period.

b) GST/ value added taxes paid on acquisition of assets or on incurring expenses:

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

Where receivables and payables are stated with the amount of tax included.

2.12 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.

2.13 Provisions and Contingencies:

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

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

A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised till the realisation

of the income is virtually certain. However, the same are disclosed in the financial statements where an inflow of economic benefits are possible.

2.14 Borrowing cost:

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

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

2.15 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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(All amounts in Indian Rupees lacs, unless otherwise stated)

3. Property, Plant and Equipment

Tangible assets

Particulars	Gross Block			Accumulated Depreciation			Net Carrying Value	
	As at April 01, 2022	Additions	As at March 31, 2023	As at April 01, 2022	Depreciation for the year	As at March 31, 2023	Disposals/ Adjustment	As at March 31, 2023
Buildings	220	-	-	43	4	-	42	-
Lease Hold Improvements	78	153	231	1	6	7	-	224
Vehicles	291	-	181	137	26	120	43	61
Plant & Machinery	4,490	994	3,640	2,377	450	1,389	1,438	2,251
Computer	3,431	789	3,856	3,065	313	3,014	364	842
Furniture And Fittings	3,327	1,352	3,602	2,291	270	1,572	989	2,030
Office Equipment	2,258	325	2,156	2,002	158	1,744	416	412
Total	14,095	3,613	13,666	9,916	1,227	7,846	3,292	5,820

Particulars	Gross Block			Accumulated Depreciation			Net Carrying Value	
	As at April 01, 2021	Additions	As at April 01, 2022	As at April 01, 2021	Depreciation for the year	As at March 31, 2022	Disposals/ Adjustment	As at March 31, 2021
Freehold Land	2,369	-	-	-	-	-	-	2,369
Buildings	800	-	220	133	14	43	-	667
Lease Hold Improvements	-	78	78	-	1	1	-	-
Vehicles	879	8	291	346	63	137	272	154
Plant & Machinery	4,306	205	4,490	2,122	272	2,377	17	2,184
Computer	3,476	176	3,431	2,857	426	3,065	218	366
Furniture And Fittings	3,082	245	3,327	2,092	199	2,291	-	990
Office Equipment	2,169	91	2,258	1,885	119	2,002	2	284
Total	17,081	803	14,095	9,435	1,094	9,916	509	7,646

Notes:

- The amount of Contractual commitments for acquisition of property, plant and equipment is disclosed in Note: 36(ii)
- Refer Note 20 and 23 for information on Property, Plant and Equipment pledged as securities by the Company.
- Refer note 43 for detailed information on assets held for sale.

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

- d) No proceedings have been initiated on or are pending against the company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) [formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)] and Rules made thereunder.
- e) Refer Note 32 and 34 for information on accelerated depreciation and loss on write off of Property, Plant and Equipment recorded during the financial year.
- f) During the current year, management has undertaken a detailed assessment of the economic useful life of all the assets and accordingly revised the estimated useful life for certain assets. Accordingly, the depreciation expense on Property, Plant and Equipment includes a charge of ₹ 193 lakhs (March 31, 2022 - Nil) on account of such change in estimate.

4. Right of use Assets (ROU)

Particulars	Gross Block			Accumulated Amortization			Net Carrying Value		
	As at April 01, 2022	Additions	Disposals/ Adjustment	As at March 31, 2023	As at April 01, 2022	Amortization for the year	Disposals/ Adjustment	As at March 31, 2023	As at March 31, 2022
Buildings	19,058	6,759	1,669	24,148	3,389	3,864	994	17,889	15,669
Vehicles	1,328	-	513	815	642	471	304	6	686
Vehicles - ALD Cars	15	7	7	15	3	6	4	10	12
Computers	660	-	-	660	324	122	-	214	336
Plant & Machinery	38	96	-	134	2	27	-	105	36
Total	21,099	6,862	2,189	25,772	4,360	4,490	1,302	18,224	16,739

Particulars	Gross Block			Accumulated Depreciation			Net Carrying Value		
	As at April 01, 2021	Additions	Disposals/ Adjustment	As at April 01, 2022	As at April 01, 2021	Amortization for the year	Disposals/ Adjustment	As at March 31, 2022	As at March 31, 2021
Buildings	6,375	12,959	276	19,058	1,896	1,677	184	15,669	4,479
Vehicles	1,335	-	7	1,328	480	166	4	686	855
Vehicles - ALD Cars	-	15	-	15	-	3	-	12	-
Computers	346	314	-	660	220	104	-	336	126
Plant & Machinery	-	38	-	38	-	2	-	36	-
Total	8,056	13,326	283	21,099	2,596	1,952	188	16,739	5,460

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

The following are the amounts recognised in the statement of profit and loss:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation expense of right-of-use assets	4,490	1,952
Interest expense on lease liabilities	1,647	962
Total	6,137	2,914

Notes:

- The aggregate depreciation expenses on Right of use Assets (ROU) is included under depreciation and amortization expenses in Statement of Profit and Loss. (Refer note - 32)
- The Company had total cash outflows for leases of ₹ 4,942 lakhs during the year ended 31 March 2023. The maturity analysis of lease liabilities are disclosed in note 21 of these financial statements.
- During the current year, management has undertaken a detailed assessment of the economic useful life of all the assets and accordingly revised the estimated useful life for certain assets. Accordingly, the depreciation expense on Right-of-Use Asset includes a charge of ₹ 304 lakhs (March 31, 2022 - Nil) on account of such change in estimate.

5. Goodwill

Goodwill is recognized as the result of the Business Transfer Agreement executed in the financial year 2011-12, representing the excess value of liabilities over the acquired assets. Goodwill arising upon business combinations is not amortised but tested for impairment at least annually or more frequently if there is any indication that the cash generating unit to which goodwill is allocated is impaired. Gross carrying value and accumulated amortisation with respect to goodwill represent Indian GAAP balances, that have been carried forward as such, relating to business combination entered before the transition date i.e., 1 April 2016.

Particulars	As at March 31, 2023	As at March 31, 2022
Gross carrying value		
Opening balance	12,506	12,506
Disposals	-	-
Closing balance	12,506	12,506
Accumulated amortisation		
Opening balance	-	-
Impairment loss	-	-
Disposals	-	-
Closing balance	-	-
Net carrying value	12,506	12,506

The carrying value of the Company's net identifiable assets has been classified as a single Cash Generating Unit since they represent the smallest collection of assets that generate independent cash flows. As a result, the carrying value of goodwill has been assigned to the single identified Cash Generating Unit for the purposes of the impairment test.

The recoverable amounts of the above cash generating units have been assessed using a value-in-use model. Value in use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially, a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows. Key assumptions upon which the Company has based its determinations of value-in-use include:

- Estimated cash flows for five years, based on management's projections.
- A terminal value arrived at by extrapolating the last forecasted year cash flows to perpetuity, using a constant long-term growth rate of 5%. This long-term growth rate takes into consideration external macroeconomic sources of data.
- The after tax discount rates used are based on the Company's weighted average cost of capital.

The Company believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

6. Other Intangible Assets

Particulars	Gross Block			Accumulated Amortization			Net Carrying Value		
	As at April 01, 2022	Additions	Disposals/ Adjustment	As at March 31, 2023	As at April 01, 2022	Amortization for the year	Disposals/ Adjustment	As at March 31, 2023	As at March 31, 2022
Computer Software	1,713	21	-	1,734	1,263	138	-	1,401	450
Total	1,713	21	-	1,734	1,263	138	-	1,401	450

Particulars	Gross Block			Accumulated Depreciation			Net Carrying Value		
	As at April 01, 2021	Additions	Disposals/ Adjustment	As at April 01, 2022	As at April 01, 2021	Amortization for the year	Disposals/ Adjustment	As at March 31, 2022	As at March 31, 2021
Computer Software	1,641	72	-	1,713	1,092	171	-	1,263	549
Total	1,641	72	-	1,713	1,092	171	-	1,263	549

7. Intangible Assets under Development

Intangible Assets under Development	As at March 31, 2023	As at March 31, 2022
	Software under Development	59
Total	59	59

Notes:

Expenses during the year capitalized in respect of Intangible Assets under Development.

a) Employee Benefit Expenses -

b) Other Expenses - 59

Intangible assets under development ageing schedule

Particulars	Amount for a period of			Total
	Less than 1 Year	1-2 Years	2 - 3 Years	
Projects in progress				
As at 31 st March, 2023	-	59	-	59
As at 31 st March, 2022	59	-	-	59

Notes:

- Company does not have any overdue projects as at 31 March 2023.
- Company does not have any projects where its cost has exceeded its original budget value.

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

8. Other Non Current Financial Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Considered good, unsecured		
Security Deposit with Others	1,008	779
Term deposits with banks (remaining maturity more than 12 months)	-	37
Margin money with banks (remaining maturity more than 12 months)	31	55
Total	1,039	871

9. Deferred Tax Assets, net

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Assets, net	2,623	2,769
Total	2,623	2,769

9.1 Movement in Deferred Tax Assets and Liabilities during the year ended March 31, 2023 and March 31, 2022

Particulars	As at March 31, 2022	Recognised In Statement of Profit & Loss	Recognised in equity	As at 31st March, 2023
Deferred tax assets/(liabilities)				
Property, plant and equipment	237	(137)	-	100
Assets held for sale	-	(762)	-	(762)
Allowance for expected credit loss	1,796	223	-	2,019
Employee benefits - Gratuity and Compensated Absences	511	89	201	801
Other temporary Differences	225	241	-	466
Net deferred tax assets/(liabilities)	2,769	(346)	201	2,623

Particulars	As at March 31, 2021	Recognised In Statement of Profit & Loss	Recognised in equity	As at 31st March, 2022
Deferred tax assets/(liabilities)				
Property, plant and equipment	717	(480)	-	237
Allowance for expected credit loss	1,034	762	-	1,796
Employee benefits - Gratuity and Leave Encashment	376	30	105	511
Other temporary Differences	296	(71)	-	225
Net deferred tax assets/(liabilities)	2,423	241	105	2,769

10. Tax Assets, net

Particulars	As at March 31, 2023	As at March 31, 2022
Advance tax, net	6,022	6,525
Total	6,022	6,525

11. Other Non-Current Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Considered good, unsecured		
Capital Advances	21	27

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

11. Other Non-Current Assets (Contd.)

Particulars	As at March 31, 2023	As at March 31, 2022
Considered doubtful, unsecured		
Capital Advances	59	59
Less: Allowances for doubtful advances	(59)	(59)
Total (A)	21	27
Prepaid Expenses	13	4
Total (B)	13	4
Total (A) + (B)	34	31

12. Trade Receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured		
Considered good, unsecured (Including from Holding Company ₹ Nil, (March 31, 2022 ₹ 101 lakhs))	29,984	24,673
Credit impaired	2,148	2,286
Total	32,132	26,959
Less: Allowances for expected credit loss (Refer Note 39B(i)(a))	(5,895)	(4,480)
Total	26,237	22,479

Trade receivable ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from the due date of payment						Total
	Not due	Less than 6 months	6 months - 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
i) Undisputed Trade receivables - Considered good	14,159	12,376	1,469	1,458	522	-	29,984
ii) Undisputed Trade receivables - Credit impaired	-	-	-	-	-	110	110
iii) Disputed Trade receivables - Considered good	-	-	-	-	-	-	-
iv) Disputed Trade receivables - Credit impaired	-	-	-	-	126	1,912	2,038
Gross Trade Receivables	14,159	12,376	1,469	1,458	648	2,022	32,132
Less: Allowances for expected credit loss							(5,895)
Balance as at March 31, 2023							26,237

Trade receivable ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from the due date of payment						Total
	Not due	Less than 6 months	6 months - 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
i) Undisputed Trade receivables - Considered good	9,484	13,212	1,049	715	114	-	24,574
ii) Undisputed Trade receivables - Credit impaired	-	-	-	-	-	51	51
iii) Disputed Trade receivables - Considered good	-	-	-	-	-	99	99
iv) Disputed Trade receivables - Credit impaired	-	-	-	233	277	1,725	2,235
Gross Trade Receivables	9,484	13,212	1,049	948	391	1,875	26,959
Less: Allowances for expected credit loss							(4,480)
Balance as at March 31, 2022							22,479

Notes:

- No Trade receivables are due from directors and other officers of the company either severally or jointly with any other person.
- The Carrying amount of trade receivables is pledged as security for borrowings. (Refer Note 23)
- Trade Receivables are non interest bearing and are generally with the credit period of 30 to 90 days.

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

13. Cash and Cash Equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balance With Banks		
- In Current accounts	1,557	922
Cash on hand	5	4
Total	1,562	926

14. Other Bank Balances

Particulars	As at March 31, 2023	As at March 31, 2022
Margin money with banks (original maturities more than 3 months but less than 12 months)	59	12
Term deposits with banks (original maturities more than 3 months but less than 12 months)	27	15
Total	86	27

15. Other Current Financial Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Considered good, unsecured		
Security Deposit with others	1,488	1,574
Security Deposit with Holding company	-	140
Advance to Employees	10	8
Interest Accrued but not due on deposits	1	1
Earnest Money Deposits	6	10
Other Receivables	90	67
(Including from Holding Company ₹ Nil, March 31, 2022 - ₹ 26 Lakhs)		
Total	1,595	1,800

16. Other Current Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Considered good, unsecured		
Advance Against supply of Goods and Services	1,285	1,683
Considered doubtful, unsecured		
Advance Against supply of Goods and Services	437	437
Less: - Allowances for doubtful advances	(437)	(437)
Total (A)	1,285	1,683
Prepaid Expenses	496	588
Balances with statutory authorities	868	638
Total (B)	1,364	1,226
Total (A) + (B)	2,649	2,909

17. Assets held for sale

Particulars	As at March 31, 2023	As at March 31, 2022
Land & Building*	4,964	8,115
Commercial Vehicles*	1	12
Total	4,965	8,127

* Refer Note 43

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company, except for the following:

Description of item of Property	Gross Carrying Value	Title deeds held in the name of	Whether title deed holder is a Promoter, director or relative of Promoter/director or employee of promoter	Property held Since which date	Reason for not being held in the name of Company
Freehold Land including building located thereon (Peenya Industrial Area, Bengaluru)	4,691	Gati Limited	No	Since 2012	The asset was transferred to the Company pursuant to the business transfer arrangement with Gati Limited and the same is in the process of sale.

18. Share Capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Authorized share capital				
Equity Shares of ₹ 10/- each	7,50,000	75	7,50,000	75
		75		75
Issued equity capital				
Equity Shares of ₹ 10/- each fully paid up	5,00,000	50	5,00,000	50
		50		50
Subscribed and fully paid-up:				
Equity Shares of ₹ 10/- each fully paid up	5,00,000	50	5,00,000	50
	5,00,000	50	5,00,000	50

a) Reconciliation of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning of the year	500,000	50	500,000	50
Shares at the end of the year	5,00,000	50	5,00,000	50

There has been no change / movements in number of shares outstanding at the beginning and at the end of the year.

b) Terms /Rights attached to Shareholders

The Company has only one class of issued shares i.e. Equity Shares having par value of ₹ 10 per share. Each holder of Equity Shares is entitled to one vote per share and equal right for dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

c) As at March 31, 2023, Gati Limited (Holding Company) owns 3,50,000 shares (PY 3,50,000 shares).

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	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%

Note - In the current year, Allcargo Logistics Limited ("Ultimate Parent Company") entered into a Share Purchase Agreement on March 27, 2023, to acquire 30% stake of KWE group held in the company, with Kintetsu World Express (S) Pte Ltd (26%) and Kintetsu Express (India) Private Limited (4%) as the respective acquiree.

e) 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.

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

- f) The Company has neither allotted any equity shares for consideration other than cash nor has issued any bonus shares nor has bought back any shares during the period of five years preceding the date at which Balance Sheet is prepared.
- g) No calls are unpaid by any directors or officers of the company during the year.

h) Details of shares held by promoter

Name of the Promoter	As at March 31, 2023		As at March 31, 2022	
	Number of Shares holding	% of Shareholding	Number of Shares holding	% of Shareholding
Gati Limited	3,50,000	70	3,50,000	70
Total	3,50,000	70	3,50,000	70

19. Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022
Securities Premium	17,836	17,836
General Reserve	1,720	1,720
Retained Earnings	4,874	6,014
Total	24,430	25,570

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 obligations, if any.

Retained Earnings

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

20. Non Current Borrowings

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non - Current	Current Maturities	Non - Current	Current Maturities
Secured				
i) Term Loan From Banks	-	-	720	219
ii) Vehicle Loan From Banks	1	10	30	41
iii) Vehicle Loan from Others	-	-	-	14
Total	1	10	750	274

Particulars of Nature of security:

- Vehicle loans from Banks & other financial institutions carrying interest rates ranging between 8.30% - 10.0% and last tranche is repayable by the end of July 2024. Vehicles are hypothecated against these loans.
- Term loans from the bank which is secured by current assets has been repaid by the company during the current year.

21. Lease Liabilities

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non - Current	Current	Non - Current	Current
Secured				
Lease Obligation	16,008	3,566	14,000	3,195
Total	16,008	3,566	14,000	3,195

Notes:

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

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

(b) Movement in lease liabilities during the year ended March 31, 2023

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Lease liabilities at the beginning of the year	17,195	6,064
Recognition of right-of-use liability during the year	6,587	12,808
Interest cost accrued during the year	1,647	962
Payment of lease liabilities including interest	(4,942)	(2,639)
Decognition of right-of-use liability during the year	(913)	-
Lease liabilities at the end of the year	19,574	17,195

(c) Amounts recognised in the statement of cash flow arising from financing activities

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Total cash outflow for leases	4,942	2,639

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

	As at March 31, 2023	As at March 31, 2022
Not later than one year	5,059	4,564
Later than one year but not later than five years		
1-2 years	4,417	3,505
2-3 years	3,805	2,707
3-4 years	3,015	2,418
4-5 years	2,294	1,906
Later than five years	10,306	11,875
Total	28,896	26,975

- (e) Lease payments for less than 1 year lease contracts as well as for low value items for the year ended March 31, 2023 is ₹ 3,611 Lakhs (Previous year - ₹ 5,450 Lakhs) (included in other expenses and operating expenses).

22. Provisions

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non - Current	Current	Non - Current	Current
Employee Benefits				
Gratuity (Refer Note 37)	1,461	825	1,143	301
Compensated Absences	410	488	363	224
Total	1,871	1,313	1,506	525

23. Current Borrowings

	As at March 31, 2023	As at March 31, 2022
Secured		
i) Working Capital facilities from Banks		
Cash Credit/Working capital demand loan	12,340	13,806
ii) Current Maturities of Long-term Borrowings	10	274
Unsecured		
Inter Corporate Deposits*	2,250	-
Total	14,600	14,080

*(from Holding Company ₹ 2,250 Lakhs, March 31, 2022 - ₹ Nil) (Refer Note 47)

Notes:

- a) Working Capital Borrowings in rupees is secured by book debts and other current assets of the Company on pari-passu charge with all working capital lenders under multiple banking arrangement. Weighted average rate of interest is 7.37%.

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

- b) The Company has been sanctioned working capital facilities from banks on the basis of security of current assets. The Company has filed quarterly returns/ statements with such banks which are in agreement with the books of account other than those set below for FY 2022-23.

Quarter ended	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference
Jun-22	1) Axis Bank,	Gross Trade	32,968	32,968	-
Sep-22	2) IndusInd Bank,	Receivables	33,977	33,977	-
Dec-22	3) Bank of Bahrain and Kuwait,		34,938	34,938	-
Mar-23	4) Federal Bank,		32,132	32,132	-
	5) Standard Chartered Bank				

- c) Reconciliation of liabilities arising from financing activities

Particulars	Year ended March 31, 2023	
	Short Term Borrowings	Long Term Borrowings *
Balance as at March 31, 2022	13,806	1,024
Borrowings repaid during the year	-	(1,013)
Proceeds/(Repayment) of Short term borrowings (Net)	784	-
Balance as at March 31, 2023	14,590	11

(*)Includes current maturities of long term borrowings

Particulars	Year ended March 31, 2022	
	Short Term Borrowings	Long Term Borrowings *
Balance as at March 31, 2021	14,265	1,482
Borrowings repaid during the year	-	(457)
Proceeds/(Repayment) of Short term borrowings (Net)	(459)	-
Balance as at March 31, 2022	13,806	1,024

(*)Includes current maturities of long term borrowings

- d) Evaluation of financial covenant compliance and key performance indicators

Bank	As at March 31, 2023	Financial Covenants	Results of performance indicators	Covenant Breach
IndusInd Bank	7,050	Allcargo to hold 40% of Gati Limited and management control	-	No
Bank of Bahrain and Kuwait	2,500	a) Current Ratio - Minimum 1.10 b) TOL/TNW - Maximum 3 times	a) Current Ratio - 0.90 b) TOL/TNW - 4.95	Yes
Federal Bank	2,300	a) TOL/TNW - Maximum 4 times b) Debt/Equity - Maximum 2 times c) Debt/EBITDA - Below 4 times	a) TOL/TNW - 4.95 b) Debt/Equity - 0.60 c) Debt/EBITDA - 1.62	Yes

"The breach of financial covenants represents instances where the performance indicators did not meet the criteria set by bankers for credit line arrangements. The breach of covenants entails 2% penal interest. These breaches with two banking partners are in existence since the time of loan sanction and renewal. Further, till the date of approval of these financial statements, lenders have not demanded for the penal interest and based on the discussion have agreed to waive off the penal interest. Other than penal interest, there are no other implications. Considering the present financial position the company maintains a healthy cash flow to meet it's obligations".

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

- e) The Company had uncommitted lines of credit of ₹ 10,160 lakhs and ₹ 6,194 lakhs as at March 31, 2023 and March 31, 2022, respectively, from its banks for working capital requirements. The Company draw upon these lines of credit based on its working capital requirements.

24. Trade Payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (Refer Note 38)	1,128	1,570
Total outstanding dues of creditors other than micro enterprises and small enterprises	8,184	8,353
Total	9,312	9,923

Trade payables ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from the due date of payment				Total
	Less than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
i) Undisputed MSME	1,124	4	-	-	1,128
ii) Undisputed Others	8,175	-	6	3	8,184
	9,299	4	6	3	9,312

Trade payables ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from the due date of payment				Total
	Less than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
i) Undisputed MSME	1,553	17	-	-	1,570
ii) Undisputed Others	7,627	433	214	79	8,353
	9,180	450	214	79	9,923

25. Other Current Financial Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Employee Related Liabilities *	2,808	2,048
Security Deposits	2,570	2,910
Capital Creditors	502	100
Interest accrued but not due on borrowings (Including payable to Holding Company ₹ 86 Lakhs, March 31, 2022 - ₹ Nil (Refer Note 47))	102	17
Others	5,125	4,130
Total	11,107	9,205

* Includes provision on share based payments with Holding company of ₹ 867 lakhs (March 31, 2022 - ₹ 31 lakhs (Refer Note 47))

26. Other Current Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Dues to statutory authorities	1,485	1,572
Others	11	21
Total	1,496	1,593

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

27. Revenue from Operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of Services		
Freight and other service charges [including from Holding Company ₹ 40 lakhs (Previous year ₹ 917 lakhs)]	1,42,478	1,19,636
Supply Chain Management services	3,780	3,977
Total (A)	1,46,258	1,23,613
Other Operating Revenue		
Management fees	341	364
Others	288	255
Total (B)	629	619
Grand Total (A) + (B)	1,46,887	1,24,232

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue based on product & services		
Revenue (Net Sale / Income from each Stream)		
a) Express Distribution	1,46,546	1,23,868
b) Others	341	364
Total	1,46,887	1,24,232
Revenue based on Geography		
India	1,46,887	1,24,232
Overseas	-	-
Total	1,46,887	1,24,232
Reconciliation of Revenue from Operation with contract price		
Revenue as per contract price	1,47,957	1,24,370
Less:		
Discounts	(207)	(126)
Credit note	(2,447)	(2,074)
Unsatisfied performance obligation	(2,825)	(2,534)
Revenue from Operation	1,42,478	1,19,636

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, 2023 is ₹ 2,825 lakhs, which is expected to be recognised during next year after delivery of shipments.

Contract Balances

Particulars	As at March 31, 2023	As at March 31, 2022
Contract Assets	1,653	655
Trade receivables	30,479	26,304
Less: Impairment allowances	(5,895)	(4,480)
Total	26,237	22,479

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.

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

28. Other Income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest Income		
On Deposits with Bank	6	19
On Income Tax refund	149	241
On Unwinding of financial asset	89	18
Liabilities no longer required - written back	1,467	793
Gain on Lease Modification, net	22	-
Profit on Disposal of Property, Plant and Equipment, net	21	-
Miscellaneous Income, net	29	11
Total	1,783	1,082

29. Operating Expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Freight	94,938	82,846
Owned Vehicles Operating Cost	2,328	2,161
Handling Charges	4,528	2,390
Vehicles' Taxes	27	32
Vehicles' Insurance	22	26
Supply Chain Management Services	2,803	2,851
Claims for Loss & Damages, net	120	230
Other Operating Expenses	1,029	660
Total	1,05,795	91,196

30. Employee Benefits Expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, Wages and Bonus	16,050	13,782
Contribution to Provident and other Funds	1,150	1,032
Share Based Payment Expenses	836	31
Staff Welfare Expenses	472	446
Total	18,508	15,291

Note:

The Holding Company measures the cost of employee share based scheme and recovers this amount from the Company. A charge of ₹ 836 lakhs (March 31, 2022 - ₹ 31 lakhs) has been allocated for compensation cost related to share-based payments, reflecting the grant of stock options from the Holding Company to certain specific employees of the Company.

31. Finance Costs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest Expenses		
On Term Loans	28	89
On Working Capital Loans	1,223	1,164
On Lease liabilities	1,647	962
Others	100	5
(Including Interest on ICD to Holding Company ₹ 96 Lakhs, Previous Year - ₹ Nil)		
Total	2,998	2,220

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

32. Depreciation and Amortization Expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on Property, Plant and Equipment (Refer Note 3)	1,227	1,094
Depreciation on Right-of-Use Asset (Refer Note 4)	4,490	1,952
Amortisation of Intangible Assets (Refer Note 6)	138	171
Total	5,855	3,217

33. Other Expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Lease Rentals (Including to Holding Company ₹ 109 lakhs (Previous year ₹ 412 lakhs))	3,271	4,603
Rates and Taxes	397	174
Insurance	115	156
Telephone Expenses	47	35
Printing and Stationery	365	289
Travel and Conveyance	568	292
Legal and Professional	1,226	1,324
Management Fee	793	553
Advertisements	435	135
Office Maintenance	2,175	1,706
Electricity Expenses	832	755
Automation Network Expenses	600	500
Repairs and Maintenance		
Vehicles	97	130
Plant and Equipment	119	101
Buildings	16	26
Computers	889	803
Loss on Disposal of Property, Plant and Equipment, net	-	194
Auditors' Remuneration (Note 33.1)	37	31
Allowance for Expected Credit Loss	2,406	1,514
Allowance for Other Financial Assets	27	11
Bad debts and Irrecoverable Balances Written off	991	43
Less: - Provision for loss allowance recognized in earlier years	(991)	(36)
Bad debts Written off - Others	124	51
Directors' Sitting fees *	5	4
Corporate Social Responsibility Expenditure (Refer Note 33.2)	12	12
Miscellaneous Expenses, net	798	771
Total	15,354	14,177

* Refer Note 47 for Related party information

33.1 Auditors' Remuneration

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Statutory Audit fees	23	16
Limited Review of quarterly results	12	14
Reimbursement of out of Pocket Expenses	2	1
Total	37	31

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

33.2 Corporate Social Responsibility Expenditure

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

- During the year, the Company has incurred ₹ 12 lakhs (March 31, 2022 ₹ 12 lakhs) on account of Corporate Social Responsibility (CSR) included under Other Expenses.
- Gross Amount required to be spent by the company during the year is Nil.
- Amount of ₹ 12 lakhs, approved by the board to be spent during the year.
- Amount spent during the year on

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	12	12
Total	12	12

(e) Unspent Amount

Particulars	Year ended March 31, 2023
Opening Balance as at April 01, 2022	-
Amount deposited in specified fund of schedule VII within 6 months	-
Amount required to be spent during the year	12
Less - Amount spent during the year	(12)
Closing Balance as at March 31, 2023	-

34. Exceptional Items

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Impairment Charged/(Reversal) in the realisable value of Non-core Assets	(1,203)	850
Loss on write off of Property, Plant and Equipment (Net)	535	-
Net Gain on disposal of Non-core Assets	(225)	(15)
GST provision expenses related to exempt GTA services	-	1,683
Total	(893)	2,518

The Exceptional items (non-recurring) represents :

- Fair value of the assets sold during the year and proposed to be sold which is disclosed as "Assets held for Sale" results in (Gain)/loss of ₹ 1,428 lakhs (March 31, 2022 - ₹ 835 lakhs).
- A loss on write off of ₹ 535 lakhs in Property, Plant and Equipment is on account of discardment of fixed assets which have outlived their useful life and those which are no longer required for business operations.
- During the previous financial year, management had provided a GST related expense provision of ₹ 1,683 lakhs pertaining to earlier years based on a prudent management estimate. Out of the above the Company had paid ₹ 494 lakhs in FY 2021-22.

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

35. Tax Expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit Before Tax	1,053	(3,305)
Income Tax recognised in Statement of Profit and Loss		
Current Tax	1,273	215
Deferred Tax	346	(241)
Tax related earlier years	(23)	727
Total	1,596	701
Income Tax recognised in Other Comprehensive Income		
Deferred tax expenses on Re-Measurement gains/(losses) on defined benefit plans	(201)	(105)
Total	(201)	(105)
Grand Total	1,395	596

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before Tax	1,053	(3,305)
Applicable Tax Rate	25.17%	25.17%
Tax Expense	265	(832)
Tax Effect of		
Expenses non-deductible for tax purposes	392	92
Income Tax on capital gains at different rates	(68)	-
Other Adjustments	1,007	1,441
Total Tax Expense as per Statement of Profit and Loss	1,596	701
Effective Tax Rate	151.5%	(21.2%)

35.2 The tax rate used for the year ended March 31, 2023 and March 31, 2022 reconciliations above is the corporate tax rate of 25.17%, payable by corporate entities in India on taxable profits under section 115 BAA of the Income Tax Act, 1961.

36. Contingent liabilities and commitments

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

(a) Claim against the Company not acknowledged as debt

Sl. No.	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	Income tax Demand disputed in appeals and others (includes amount paid under protest and adjustments of ₹ 2,649 lakhs, March 31, 2022 - ₹ 2,649 lakhs)	3,175	3,175
(ii)	Indirect Tax demand disputed in appeals (#)	323	323
(iii)	Others	386	404
	Total	3,884	3,902

Notes :

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

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

(#) Based on the expert legal opinion obtained by the Company, management is of the view that Company has a strong ground to defend the case, thereby, estimated interest of ₹ 1,100 lakhs pertaining to exceptional item of GST related expense provision has not been provided in books.

(b) **Bank Guarantee (*)** 500 421
 (*) 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. From the previous year ended March 31, 2022, Company is in compliance with same. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, was not ascertainable and consequently no effect was given in the accounts.

(d) The Code on Social Security, 2020 (Code) related to employee benefits during employment and post-employment received Presidential assent in September 2020. The Code has been published in the Gazette of India; however, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. However, the Company envisages that the impact of the above would not be material.

(ii) Commitments

Particulars	As at March 31, 2023	As at March 31, 2022
Commitment for acquisition of Property, Plant & Equipments (Net of advances)		
Towards Property, Plant & Equipment	82	850
Total	82	850

37. Disclosure as required under Ind AS -19 on employee benefits

Defined Benefit Obligation

Particulars	As at March 31, 2023	As at March 31, 2022
Statement of Assets and Liabilities for defined benefit obligation		
Present value of funded obligations	(2,315)	(1,637)
Fair value of plan assets	29	193
Net defined benefit liability recognised	(2,286)	(1,444)

Defined benefits - Gratuity

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

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

The Company expects to contribute ₹ 854 lakhs to Gratuity Fund in the next year.

Defined benefits - Compensated Absences

The Company provides for accumulation of leaves by certain categories of its employees. These employees can carry forward a portion of the unutilised leaves and utilise them in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a liability for such leaves in the period in which the employee renders the services that increases this entitlement. The total liability recorded by the Company towards this obligation was ₹ 898 lacs and ₹ 587 lacs as at March 31, 2023 and March 31, 2022, respectively.

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

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.

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

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(I) Reconciliation of present value of defined benefit obligation		
(a) Balance at the beginning of the year	1,636	1,377
(b) Current service cost	159	139
(c) Interest on defined obligations	80	67
(d) Benefits paid	(340)	(362)
(e) Benefit payments directly by employer	(14)	(1)
(f) Actuarial (gains)/ losses recognised in other comprehensive income	-	-
change in demographic assumptions	(17)	(15)
change in financial assumptions	(77)	27
experience adjustments	888	404
Balance at the end of the year	2,315	1,636
(II) Reconciliation of fair value of plan assets		
(a) Balance at the beginning of the year	193	409
(b) Actual return on plan assets	11	23
(c) Contributions by the employer	169	-
(d) Benefits paid	(340)	(362)
(e) Fund Transfer adjustment	-	124
(f) Actuarial gains/(losses) on plan assets	(4)	(1)
Balance at the end of the year	29	193
(III) Gratuity cost recognised in Statement of Profit or Loss		
(a) Current service cost	159	139
(b) Interest on defined obligations	80	67
(c) Interest income on plan assets	(11)	(23)
Gratuity cost recognised in Statement of Profit or Loss	228	183
(IV) Remeasurements recognised in Other Comprehensive Income		
(a) Actuarial (gain) / loss on defined benefit obligation	794	417
(b) Actuarial (gain) / loss on plan assets	4	1
Amount recognised in Other Comprehensive Income	798	418

Particulars	As at March 31, 2023	As at March 31, 2022
(V) Net asset/ (liability) recognised in the Balance Sheet		
(a) Present value of defined benefit obligation	(2,315)	(1,637)
(b) Fair value of plan assets	29	193
Net defined benefit obligations in the Balance Sheet	(2,286)	(1,444)

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
(VI) Plan assets		
Plan assets comprise of the following:		
Investments with LIC	100%	100%

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(VII) Actuarial assumptions		
Principal actuarial assumptions at the reporting date (expressed as weighted averages)		
(a) Discount rate	7.30%	5.77%
(b) Future salary growth	8.00% first 2 years; 6.00% thereafter	8.00% first 2 years; 6.00% thereafter
(c) Retirement age (years)	58	58
(d) Withdrawal rates	35.17%	30%

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2012-14).

(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:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
(a) Discount rate (1% movement)	(48)	49	(41)	45
(b) Future salary growth (1% movement)	56	(55)	43	(39)
(c) Withdrawal assumption (1% movement)	(1)	1	(2)	4

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.

Expected cash flows over the next (valued on undiscounted cash flows)

Particulars	As at March 31, 2023	As at March 31, 2022
1 year	854	494
2 to 5 years	1,492	1,032
6 to 10 year	355	340
more than 10 years	45	69

Defined contribution

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Provident/Pension fund	821	697
Superannuation fund	3	-
Employee state insurance	98	103
Total	922	800

Notes to Financial Statements

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(All amounts in Indian Rupees lacs, unless otherwise stated)

38. Due to Micro enterprises and small enterprises

Particulars	As at March 31, 2023	As at March 31, 2022
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year :		
Principal amount due to micro and small enterprises	1,114	1,560
Interest due on above	14	10
Total	1,128	1,570
(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.	14	10
(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.

39. 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, 2023

Particulars	FVTPL	FVOCI	Other Financial Assets at Amortised Cost	Other Financial Liabilities at Amortised Cost	Total Carrying Amount
Financial Assets					
Trade Receivables	-	-	26,237	-	26,237
Cash and Cash Equivalents	-	-	1,562	-	1,562
Other Bank Balances	-	-	86	-	86
Other Financial Assets	-	-	2,634	-	2,634
Total	-	-	30,519	-	30,519
Financial Liabilities					
Borrowings	-	-	-	14,601	14,601
Lease Liabilities	-	-	-	19,574	19,574
Trade Payables	-	-	-	9,312	9,312
Other Financial Liabilities	-	-	-	11,107	11,107
Total	-	-	-	54,594	54,594

The following table shows the carrying amounts and fair values of Financial Assets and Financial Liabilities as at March 31, 2022

Particulars	FVTPL	FVOCI	Other Financial Assets at Amortised Cost	Other Financial Liabilities at Amortised Cost	Total Carrying Amount
Financial Assets					
Trade Receivables	-	-	22,479	-	22,479
Cash and Cash Equivalents	-	-	926	-	926
Other Bank Balances	-	-	27	-	27
Other Financial Assets	-	-	2,671	-	2,671
Total	-	-	26,103	-	26,103

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

Particulars	FVTPL	FVOCI	Other Financial Assets at Amortised Cost	Other Financial Liabilities at Amortised Cost	Total Carrying Amount
Financial Liabilities					
Borrowings	-	-	-	14,830	14,830
Lease Liabilities	-	-	-	17,195	17,195
Trade Payables	-	-	-	9,923	9,923
Other Financial Liabilities	-	-	-	9,205	9,205
Total	-	-	-	51,153	51,153

Financial instruments measured at amortised cost

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

B. Financial risk management

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

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

Risk management framework

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

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

(i) Credit risk

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

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables (Gross)	32,132	26,959
Less: Expected Credit Loss	(5,895)	(4,480)
Trade Receivables (Net)	26,237	22,479

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

Reconciliation of expected credit loss (Trade receivables)	Amount
Expected credit loss as at March 31, 2021	3,002
Allowance for Expected Credit Loss	1,514
Bad debts and Irrecoverable Balances Written off	(36)
Expected credit loss as at March 31, 2022	4,480
Allowance for Expected Credit Loss	2,406
Bad debts and Irrecoverable Balances Written off	(991)
Expected credit loss as at March 31, 2023	5,895

b) *Other Financial Assets (Security deposits given)*

The company has security deposits with lessors for leased premises at the year end. The credit worthiness of such lessors is evaluated by the management on an ongoing basis and is considered good. This include security deposits given to lessors with whom Letter of intent is signed.

(ii) **Liquidity risk**

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

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

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

March 31, 2023	Carrying amount	Contractual Cashflows			
		Total	Less than 1 Year	1 to 5 years	More than 5 years
Borrowings	14,601	14,601	14,600	1	-
Trade Payables	9,312	9,312	9,312	-	-
Other Financial Liabilities	11,107	11,107	11,107	-	-
Total	35,020	35,020	35,019	1	-

March 31, 2022	Carrying amount	Contractual Cashflows			
		Total	Less than 1 Year	1 to 5 years	More than 5 years
Borrowings	14,830	14,830	14,080	750	-
Trade Payables	9,923	9,923	9,923	-	-
Other Financial Liabilities	9,205	9,205	9,205	-	-
Total	33,958	33,958	33,208	750	-

(iii) **Market Risk**

Floating exchanges rates

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

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

Foreign currency risk

There is no foreign currency exposure outstanding at the year end (March 31, 2022 - Nil). The Company does not have foreign currency exposure and hence is not exposed to any foreign currency risk.

Interest rate risk

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

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

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed rate instruments		
Financial liabilities		
Inter Corporate Deposits	2,250	-
Term Loan From Banks	-	939
Vehicle Loan From Banks	11	71
Vehicle Loan from Others	-	14
	2,261	1,024
Variable rate instruments		
Financial liabilities		
Cash Credit	12,340	13,806
	12,340	13,806
Total	14,601	14,830

Sensitivity analysis

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

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

Particulars	Effect on profit before tax		Consequential effect on Equity before tax	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Variable rate instruments - increase by 100 basis points	123	138	123	138
Variable rate instruments - decrease by 100 basis points	(123)	(138)	(123)	(138)

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.

40. 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.

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

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

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings (including current maturities of Long term borrowing)	14,601	14,830
Less:		
Cash and cash equivalents	1,562	926
Bank Balances other than Cash and cash equivalents	86	27
Net Debt	12,953	13,877
Equity	24,480	25,620
Debt to equity ratio	0.53	0.54

41. Earnings per Share

	Year ended March 31, 2023	Year ended March 31, 2022
Loss for the year	(543)	(4,006)
Weighted average number of shares (Nos.)	500,000	500,000
Basic and Diluted Earnings Per Share (In ₹)	(108.63)	(801.23)
Nominal value of shares outstanding (In ₹)	10	10

- 42.** The managerial remuneration paid to the Executive Chairman & Managing Director (CMD) of the Company for the year ended March 31, 2023 is within the remuneration limit prescribed under Section 197 read with Schedule V of the Companies Act, 2013.
- 43.** Company has adopted an Asset Light Strategy, basis which the decision was taken to sell the all the non-core immovable properties and use the proceeds from such sale to pay the debt. Net carrying value of assets classified held for sale as at March 31, 2023 amounts to ₹ 4,965 Lakhs (March 31, 2022 - ₹ 8,127 lakhs). Exceptional item refers to loss on fair value of such assets as at March 31, 2023 in line with Ind AS 105. The Company has taken necessary steps and negotiation is ongoing with the prospective buyers for the sale of assets classified as AHS which is expected to be concluded in next one year.
- 44.** During the previous financial year, Company has recovered entire overdue receivables from its fellow subsidiary "GATI Import Export private limited" amounting to ₹ 160 lakhs towards freight services and rental income, where the business operations were also discontinued.
- 45.** During the previous financial year, the Board of Directors of the Company vide its meeting held on February 01, 2022 and the Shareholders of the Company vide their Extra-Ordinary General Meeting held on February 28, 2022 have approved the Shifting of Registered Office of the Company from the "State of Telangana" to the "State of Maharashtra at Mumbai" and the Hon'ble Regional Director, South East Region, Hyderabad has approved the same vide its order no. 1543 dated June 16, 2022 and accordingly the Registered Office of the company stands to have shifted to the State of Maharashtra vide fresh certificate of Registration dated 21st September 2022. The new registered office address and the CIN number stands to be changed to "GATI-KINTESTU EXPRESS PVT. LTD., Regd. Office: 4th Floor, A Wing, Allcargo House, CST Road, Kalina, Santacruz (East), Mumbai - 400 098, Maharashtra; & CIN : U62200MH2007PTC390900 respectively.
- 46.** During the previous financial year, the Nomination and Remuneration Committee of the Board of Directors of Gati Limited, the Holding Company, granted 17,00,000 ESARs to eligible employees in accordance with the approved 'Gati - Employees Stock Appreciation Rights Plan 2021' (ESAR 2021/Plan). In addition, the Holding Company allocated additional 5,00,000 options (net of 2,00,000 options lapsed during the year) during the year as part of the Plan. The ESARs represent the right to receive appreciation in the value of a specified number of shares of the Holding Company. The exercise price of the ESARs is determined based on the prevailing market price of the Holding Company's shares at the time of grant. The compensation cost related to the ESARs is recognized over the vesting period, which is the period during which the employees become entitled to exercise the ESARs, based on the fair value of the ESARs at the grant date. The Holding Company has charged ₹ 836 lakhs (March 31, 2022 - ₹ 31 lakhs) towards compensation cost pertaining to the ESARs. (Refer Note 30)

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

47. Related party disclosures

(A) Names of related parties and related party relationship for the year ended March 31, 2023

<p>a) Ultimate Holding Company Allcargo Logistics Limited</p>	<p>e) Entities under common influence with the company Kintetsu World Express (India) Private Limited</p>
<p>b) Holding Company Gati Limited</p>	<p>f) Executive directors i) Mr. Bala Subramanian Aghoramurthy (Resigned on August 11, 2021) ii) Mr. Adarsh Hegde (w.e.f October 05, 2020)</p>
<p>c) Fellow Subsidiaries i) Gati Kausar India Limited # ii) Gati Cargo Express (Shanghai) Co. Limited iii) Allcargo Supply Chain Private Limited ** iv) Allcargo Inland Park Private Limited v) Comptech Solutions Private Limited vi) Allcargo Logistics Park Private Limited vii) Allcargo Multimodal Private Limited ##</p>	<p>g) Non-Executive directors i) Mr. R Ramachandran ii) Ms. Sheela Bhide iii) Mr. Kok Seng Tan (till June 01, 2021) iv) Mr. Kazuhisa kawamura (till June 01, 2021) v) Mr. Nilesh Shivji Vikamsey (w.e.f May 18, 2021) vi) Mr. Dinesh Kumar Lal (w.e.f February 01,2022)</p>
<p>d) Entities in which significant influence exists i) Talentos (India) Private Limited ii) Conserve Buildcon LLP (w.e.f Nov 01, 2022) iii) National Institute of Industrial Engineering (w.e.f March 17, 2022)</p>	<p>h) Key Managerial Personnel i) Chief Executive Officer - Pirojshaw A Sarkari (w.e.f August 02, 2021) ii) Chief Financial Officer - Anish Mathew (w.e.f February 04, 2022) iii) Company Secretary and Compliance Officer - T S Maharani</p>

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

(B) Summary of the transactions with related parties

Sl. No.	Nature of transactions	Key Managerial Personnel & Relatives		Entities in which Significant Influence Exists		Entities under common influence with the company		Ultimate Holding Company		Holding Company		Fellow Subsidiaries		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
(i) EXPENDITURE															
a) Lease Rentals															
	Gati Limited	-	-	-	-	-	-	-	-	109	412	-	-	109	412
	Talentos (India) Private Limited	-	-	45	34	-	-	-	-	-	-	-	-	45	34
	Allcargo Supply Chain Private Limited **	-	-	-	-	-	-	-	-	-	-	115	101	115	101
	Allcargo Inland Park Private Limited	-	-	-	-	-	-	-	-	-	-	(9)	120	(9)	120
	Allcargo Multimodal Private Limited #	-	-	-	-	-	-	-	-	-	-	378	-	378	-
	Comptech Solutions Private Limited	-	-	-	-	-	-	-	-	-	-	42	12	42	12
	Allcargo Logistics Limited	-	-	-	-	-	-	7	5	-	-	-	-	7	5
		-	-	45	34	-	-	7	5	109	412	526	233	687	684
b) Remuneration															
	Balasubramanian Aghoramurthy	-	122	-	-	-	-	-	-	-	-	-	-	-	122
	Pirojshaw A Sarkari	288	116	-	-	-	-	-	-	-	-	-	-	288	116
	Adarsh Hedge	150	150	-	-	-	-	-	-	-	-	-	-	150	150
Sitting Fees															
	Sheela Bhide	1	1	-	-	-	-	-	-	-	-	-	-	1	1
	R Ramachandran	-	2	-	-	-	-	-	-	-	-	-	-	-	2
	Dinesh Kumar Lal	2	-	-	-	-	-	-	-	-	-	-	-	2	-
	Nilesh Shivji Vikamsey	2	1	-	-	-	-	-	-	-	-	-	-	2	1
		443	392	-	-	-	-	-	-	-	-	-	-	443	392
c) Freight Expenses															
	Allcargo Logistics Limited	-	-	-	-	-	-	2	-	-	-	-	-	-	2
		-	-	-	-	-	-	2	-	-	-	-	-	2	-

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

SI. No.	Nature of transactions	Key Managerial Personnel & Relatives		Entities in which Significant Influence Exists		Entities under common influence with the company		Ultimate Holding Company		Holding Company		Fellow Subsidiaries		Total		
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23
d)	Management Fees															
	Gati Limited	-	-	-	-	-	-	-	-	168	137	-	-	168	137	
	All Cargo Logistics Limited	-	-	-	-	-	-	502	304	-	-	-	-	-	502	304
	Allcargo Supply Chain Private Limited **	-	-	-	-	-	-	-	-	-	-	140	112	140	112	
		-	-	-	-	-	-	502	304	168	137	140	112	810	553	
e)	Inter corporate Deposit (Loan) Interest Expenses															
	Gati Limited	-	-	-	-	-	-	-	-	96	-	-	-	96	-	
		-	-	-	-	-	-	-	-	96	-	-	-	96	-	
f)	Other Expenses															
	Allcargo Supply Chain Private Limited **	-	-	-	-	-	-	-	-	-	-	3	1	-	3	1
	Conserve Buildcon LLP	-	-	100	-	-	-	-	-	-	-	-	-	-	100	-
	All Cargo Logistics Limited	-	-	-	-	-	-	5	-	-	-	-	-	-	5	-
	Prism Global Limited	-	-	-	-	-	-	-	-	-	-	16	-	-	16	-
	National Institute of Industrial Engineering	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-
	Gati Limited	-	-	-	-	-	-	-	-	21	-	-	-	21	-	-
	Kintentsu World Express (India) Private Limited	-	-	-	-	16	13	-	-	-	-	-	-	-	16	13
	Allcargo Multimodal Private Limited ##	-	-	-	-	-	-	-	-	-	-	91	-	-	91	-
	Comptech Solutions Private Limited	-	-	-	-	-	-	-	-	-	-	6	-	-	6	-
		-	-	101	-	16	13	5	-	21	-	116	1	259	14	
g)	Employees Compensation Cost															
	Gati Limited	-	-	-	-	-	-	-	-	836	31	-	-	836	31	
		-	-	-	-	-	-	-	-	836	31	-	-	836	31	

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

Si. No.	Nature of transactions	Key Managerial Personnel & Relatives		Entities in which Significant Influence Exists		Entities under common influence with the company		Ultimate Holding Company		Holding Company		Fellow Subsidiaries		Total		
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23
h)	Capitalization															
	Conserve Buildcon LLP	-	-	492	-	-	-	-	-	-	-	-	-	-	492	-
		-	-	492	-	-	-	-	-	-	-	-	-	-	492	-
(ii) INCOME																
a)	Freight															
	Kintentsu World Express (India) Private Limited	-	-	-	-	1,362	843	-	-	-	-	-	-	-	1,362	843
	Gati Limited	-	-	-	-	-	-	-	40	917	-	-	-	-	40	917
	Allcargo Supply Chain Private Limited **	-	-	-	-	-	-	-	-	-	-	1	15	1	15	15
	Allcargo Logistics Limited	-	-	-	-	-	-	9	-	-	-	-	-	-	9	9
		-	-	-	-	1,362	843	9	40	917	1	15	1,412	1,784		
b)	Warehouse Income															
	Kintentsu World Express (India) Private Limited	-	-	-	-	6	6	-	-	-	-	-	-	-	6	6
	Allcargo Supply Chain Private Limited**	-	-	-	-	-	-	-	-	-	20	3	20	3		
	Gati Cargo Express (Shanghai) Co. Limited	-	-	-	-	-	-	-	-	-	71	59	71	59		
		-	-	-	-	6	6	-	-	-	91	62	97	68		
c)	Other Operating Income															
	Gati Limited (Management Fee)	-	-	-	-	-	-	-	60	139	-	-	-	-	60	139
	Gati Limited (Others)	-	-	-	-	-	-	-	10	5	-	-	-	-	10	5
	All Cargo Logistics Ltd (Management fees)	-	-	-	-	-	-	191	203	-	-	-	-	-	191	203
	Allcargo Supply Chain Private Limited (Management fee) **	-	-	-	-	-	-	-	-	-	90	22	90	22		
		-	-	-	-	-	-	191	203	70	144	90	22	351	369	

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

(C) Summary of closing balances with related parties

Sl. No.	Nature of transactions	Key Managerial Personnel & Relatives		Entities in which Significant Influence Exists		Entities under common influence with the company		Entities having Significant Influence over Company		Ultimate Holding Company		Holding Company		Fellow Subsidiaries		Total		
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2022
(iii) a) Trade Receivables																		
	Kintentsu World Express (India) Private Limited	-	-	-	-	163	196	-	-	-	-	-	-	-	-	-	163	196
	Gati Limited	-	-	-	-	-	-	-	-	-	-	101	-	-	-	-	-	101
	Allcargo Logistics Limited	-	-	-	-	-	-	-	-	11	1	-	-	-	-	-	11	1
	Gati Cargo Express (Shanghai) Co. Limited	-	-	-	-	-	-	-	-	-	-	-	28	27	-	28	27	27
		-	-	-	-	163	196	-	-	11	1	101	28	27	202	76	325	325
b) Other Receivables																		
	Gati Limited	-	-	-	-	-	-	-	-	-	-	26	-	-	-	-	-	26
	All Cargo Logistics Limited	-	-	-	-	-	-	-	-	36	-	-	-	-	-	-	36	-
	Allcargo Supply Chain Private Limited**	-	-	-	-	-	-	-	-	-	-	-	40	21	40	21	40	21
		-	-	-	-	-	-	-	-	36	26	26	40	21	76	47	202	47
c) Deposits Given																		
	Talentos (India) Private Limited	-	-	23	-	-	-	-	-	-	-	-	-	-	-	-	-	23
	Allcargo Multimodal Private Limited ##	-	-	-	-	-	-	-	-	-	-	-	157	63	157	63	157	63
	Comptech Solutions Private Limited	-	-	-	-	-	-	-	-	-	-	-	24	-	24	-	24	-
	Gati Limited	-	-	-	-	-	-	-	-	-	140	-	-	-	-	-	140	140
		-	-	23	23	-	-	-	-	-	140	181	63	204	226	226	204	226
d) Other Payables																		
	Gati Limited	-	-	-	-	-	-	-	-	-	867	-	-	-	-	-	867	867
	Kintentsu World Express (India) Pvt Limited	-	-	-	-	3	2	-	-	-	-	-	-	-	-	-	3	2
	Allcargo Supply Chain Private Limited **	-	-	-	-	-	-	-	-	-	-	23	34	23	34	23	34	34

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as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

Sl. No.	Nature of transactions	Key Managerial Personnel & Relatives		Entities in which Significant Influence Exists		Entities under common influence with the company		Entities having Significant Influence over Company		Ultimate Holding Company		Holding Company		Fellow Subsidiaries		Total			
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	
	Allcargo Inland Park Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	124	-	124	-	124	
	Allcargo Multimodal Private Limited ##	-	-	-	-	-	-	-	-	-	-	-	48	-	48	-	48		
	Talentos (India) Private Limited	-	4	-	-	-	-	-	-	-	-	-	-	-	-	-	4	-	
	Comptech Solutions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	11	5	11	5	11	
	Prism Global Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	6	6	-	-	
	Conserve Buildcon LLP	-	-	47	-	-	-	-	-	-	-	-	-	-	-	47	-	-	
	Allcargo Logistics Limited	-	-	-	-	-	-	-	-	104	1	-	-	-	-	-	104	1	
		-	-	51	-	3	2	-	-	104	1	867	68	82	169	1,107	240	240	
e)	Other Financial Liabilities																		
	Gati Limited	-	-	-	-	-	-	-	-	-	-	-	124	-	-	-	-	124	
		-	-	-	-	-	-	-	-	-	-	-	124	-	-	-	-	124	
f)	Inter Corporate Deposits (Loan)																		
	Gati Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,250	
		-	-	-	-	-	-	-	-	-	-	2,250	-	-	-	-	-	2,250	
		-	-	-	-	-	-	-	-	-	-	2,250	-	-	-	-	-	2,250	
g)	Interest payable on ICD (Loan)																		
	Gati Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	86	
		-	-	-	-	-	-	-	-	-	-	-	86	-	-	-	-	86	
		-	-	-	-	-	-	-	-	-	-	-	86	-	-	-	-	86	

** Avvashya CCI Logistics Private Limited demerged as Avvashya Supply Chain Private Limited w.e.f March 01, 2023 & Avvashya Supply chain Private Limited company name got changed as Allcargo Supply Chain Private Ltd w.e.f March 30, 2023

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

Allcargo Multimodal Private Limited is demerged from Allcargo Inland Park Private Limited w.e.f March 01, 2022

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

Notes :

- (a) This is to confirm that the above transactions are
- comprehensive and have been reviewed by Internal Auditors of the Company;
 - in the ordinary course of Business and at arm's length;
 - in compliance with applicable regulatory / statutory requirements including Company's policy on Related party transactions.
- (b) 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.
- (c) Related Party Transactions for which approval of the Audit Committee has been taken are well within the ambit of Omnibus Approval given by the Audit committee.
- (d) The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given for FY 2022-23
- (e) The remuneration of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.

48. Financial performance ratios

Ratio	Numerator	Denominator	Current Year	Previous Year	Variance	Reasons for Variance
Current Ratio (in times)	Current Assets	Current Liabilities	0.90	0.94	-5%	-
Debt Equity ratio (in times)	Total Debt	Shareholder's Equity	0.60	0.58	3%	-
Debt service coverage ratio (in times)	Earnings available for debt Service	Total Debt in Service	1.52	1.08	41%	Note-1
Return on Equity Ratio (in %)	Net Profit After Taxes- Preference Dividends (if any)	Average Shareholder's Equity	(0.04)	(0.26)	-83%	Note-2
Inventory turnover ratio (in times)	Cost of Goods Sold or Sales	Average Inventory	NA	NA	-	-
Trade Receivables turnover ratio (in times)	Net Sales	Average Account Receivables	4.06	4.16	-2%	-
Trade payables turnover ratio (in times)	Net Purchases	Average Account Payables	11.00	10.01	10%	-
Net capital turnover ratio (in times)	Net Sales	Working Capital	(34.16)	(55.14)	-38%	Note-3
Net profit ratio (in %)	Net Profit	Net Sales	(0.00)	(0.03)	-89%	Note-4
Return on Capital employed (in %)	Earnings before interest and tax	Capital Employed	0.09	(0.07)	-224%	Note-5
Return on investment (in %)	Earnings before interest and tax	Investment	NA	NA	-	-

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

Notes :

- Improved Debt service coverage ratio attributed to increased earnings.
- Enhanced Return on Equity ratio driven by higher profitability, effective cost management and optimised capital utilisation.
- Improved Net capital turnover ratio due to revenue growth and optimised capital allocation.
- Improved Net profit ratio attributed to revenue growth, operational efficiency and cost control measures.
- Improved Return on Capital employed driven by enhanced profitability and optimised capital allocation.

Definitions:

- Earning for available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of Fixed assets etc.
- Debt service = Interest & Lease Payments + Principal Repayments
- Average inventory = (Opening inventory balance + Closing inventory balance) / 2
- Net sales = Net sales consist of gross sales minus sales return
- Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance) / 2

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

- (f) Net purchases = Net purchases consist of gross purchases minus purchase return
- (f) Net credit purchases = Net credit purchases consist of gross credit purchases minus purchase return
- (h) Working capital = Current assets - Current liabilities.
- (i) Earning before interest and taxes = Profit before exceptional items and tax + Finance costs
- (j) Capital Employed = Total Equity + Total Debt - Goodwill
- (k) Return on Investment

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

where,

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

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

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

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

49. Other statutory information

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

Name of Company	Nature of transactions	Balance as at March 31, 2023	Balance as at March 31, 2022
Nova Enterprises Private Limited	Receivables	-	22
Synthiko Formulations And Chemicals Limited	Receivables	-	1
A.S. Enterprises Private Limited	Receivables	-	1
Welcome Trademart Private Limited	Receivables	-	1
Indo American Vitamin Foods Private Limited	Receivables	310	1
Alok Leasing Private Limited	Receivables	1	-
Apurva Organics Limited	Receivables	1	-
Bgrg Electrosoft Private Limited	Receivables	1	-
Crown Closures Private Limited	Receivables	0	-
Danfoss Industries Private Limited	Receivables	67	-
Ford India Private Limited	Receivables	73	-
Gilard Electronics Private Limited	Receivables	0	-
Inox India Private Limited	Receivables	2	-
Jassonia Enterprises India Private Limited	Receivables	2	-
Madura Coats Private Limited	Receivables	2	-
Thermadyne Private Limited	Receivables	0	-
Welspun India Limited	Receivables	1	-
Total		460	26
DRS Enterprises Private Limited	Payables	-	4
Sangam Enterprises Private Limited	Payables	-	0
Rana Trading And Exports Private Limited	Payables	-	0
Ashwavega Couriers & Cargos Private Limited	Payables	-	0
Mangalam Automobiles Private Limited	Payables	-	0
D G Raj Commercial Private Limited	Payables	-	3
Total		-	7

Notes to Financial Statements

as at and for the Year Ended March 31, 2023

(All amounts in Indian Rupees lacs, unless otherwise stated)

- Note:**
- 1) Wherever amounts are "0", the value is less than rupees fifty thousand.
 - 2) None of the above mentioned party is related party as per the definition of "related party" under section 2(76) of the Companies Act, 2013.
- (ii) The Company is in the continuous process of filing the charge satisfaction e-form with MCA, within the timelines, as and when it receives NOCs from the respective charge holders.
 - (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during current or previous financial year.
 - (iv) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority during current or previous financial year.
 - (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) during current or previous financial year with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
 - (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) during current or previous financial year with the understanding (whether recorded in writing or otherwise) that the company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
 - (vii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during current or previous financial year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
 - (viii) Loans or Advances in the nature of loans are granted to Promoters, Directors, KMPs and the Related Parties -

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

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

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

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

52. The financial statement are approved for issue by the Audit Committee at its meeting held on May 15, 2023 and by the Board of Directors at its meeting held on May 15, 2023.

As per our report of even date attached

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants
ICAI Firm Registration No: 101049W/E300004

Aniket A Sohani

Partner
Membership no: 117142

Place: Mumbai
Date: May 15, 2023
UDIN: 23117142BGYJAY5648

For and on behalf of the Board of Directors of Gati Kintetsu Express Private Limited

Adarsh Hegde

Chairman & Managing Director
DIN: 00035040

Anish T Mathew

Chief Financial Officer
M. No. 211965

Place: Hyderabad
Date: May 15, 2023

Pirojshaw Sarkari

Chief Executive Officer

T S Maharani

Company Secretary
M No. F8069

If undelivered please return to :



Regd. & Corporate Office :

Gati-Kintetsu Express Private Limited

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

Tel: 040 7120 4284, Fax: 040 2311 2318

e-mail: investor.services@gati.com

CIN: U62200TG2007PTC056311

2021-22

ANNUAL REPORT

GATI-KINTETSU EXPRESS PRIVATE LIMITED

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

- | | |
|--------------------------------|---|
| 1. Mr. Adarsh Sudhakar Hegde | - Chairman & Managing Director |
| 2. Ms. Sheela Bhide | - Independent Director |
| 3. Mr. Nilesh Shivji Vikamsey | - Independent Director (appointed w.e.f May 18, 2021) |
| 4. Mr. Masaru Kobayashi | - Nominee Director (appointed w.e.f June 01, 2021) |
| 5. Mr. Vibhu Prakash Annaswamy | - Nominee Director (appointed w.e.f June 01, 2021) |
| 6. Mr. Dinesh Kumar Lal | - Additional Independent Director (appointed w.e.f February 01, 2022) |
| 7. Mrs. Arathi Shetty | - Additional Director (appointed w.e.f May 19, 2022) |

KEY MANAGERIAL PERSONNEL

- | | |
|--------------------------|---|
| 1. Mr. Pirojshaw Sarkari | - Chief Executive Officer (appointed w.e.f August 02, 2021) |
| 2. Mr. Anish T Mathew | - Chief Financial Officer (appointed w.e.f May 19, 2022) |
| 3. Mrs. TS Maharani | - Company Secretary |

AUDITORS

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

REGISTERED OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENTS

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

BANKERS

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

Notice

Notice is hereby given that the 15th (Fifteenth) Annual General Meeting (AGM) of the members of Gati-Kintetsu Express Private Limited (CIN: U62200TG2007PTC056311) ("the Company") will be held on Monday, September 12, 2022 at 3.00 pm through Video Conferencing (VC) or Other Audio Visual Means (OAVM) for which purpose the Registered office of the Company shall be deemed as the venue for the Meeting and the proceedings of the Annual General Meeting shall be deemed to be made thereat, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022 and the Reports of the Board of Directors and Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the audited financial statements of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To appoint a Director in place of Mr. Adarsh Sudhakar Hegde (DIN: 00035040), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Adarsh Sudhakar Hegde (DIN: 00035040), who retires by rotation at this meeting, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

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

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

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

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

SPECIAL BUSINESS:

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

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

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

5. To consider appointment of Mr. Dinesh Kumar Lal (DIN: 00037142) as an Independent Director on the Board of Directors of the Company and, if thought fit, approve and pass the following resolution with or without modification(s), as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Dinesh Kumar Lal (DIN: 00037142), who was appointed as an Additional Director on the Board of Directors of the Company in terms of Section 161(1) of the Companies Act, 2013 ("the Act") and whose term of office expires at the ensuing Annual General Meeting and who meets the criteria of Independence as provided under Section 149(6) of the Act and who is eligible for appointment and is recommended by the Board of Directors, upon the recommendation of the Nomination and Remuneration Committee for the office of Director as an Independent Director, be and is hereby appointed, in accordance with Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the corresponding Rules framed thereunder, as an Independent Director to hold office for a term

of 5 (Five) years with effect from February 01, 2022 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

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

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

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

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

NOTES:

- 1) In view of the Ministry's General circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021, General circular no. 19/2021 dated December 08, 2021, General circular no. 21/2021 dated December 14, 2021 and General Circular No. 2/2022 dated May 05, 2022 in relation to "Clarification of holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") permitted the companies whose Annual General Meeting (s) ("AGM") are due in the year 2022 through VC / OAVM on or before December 31, 2022, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
- 2) As the AGM is being conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
- 3) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013 ("the Act").
- 4) Corporate members intending to send their authorised representatives to attend the AGM pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy (in PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. authorising its representatives to attend the AGM, by e-mail to maharani.ts@gati.com.
- 5) A Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 6) In compliance with the aforementioned MCA Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website: www.gatikwe.com.
- 7) Details of Director retiring by rotation seeking appointment/re-appointment at this Meeting are provided in the "Annexure" to the Notice.

- 8) Members seeking any information with regard to any matter to be placed at the AGM, are requested to write to the Company through an email to maharani.ts@gati.com.
- 9) Company will be providing facility for voting at 15th AGM through VC/OAVM facility.
- 10) Members will be able to attend the AGM through VC/OAVM provided by the Company.
- 11) Members who need assistance before or during the AGM, can contact Mrs. TS Maharani at maharani.ts@gati.com/+91-8008559799.
- 12) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Company Secretary, by show of hand for all those members who are present at the AGM.
- 13) The Register of Directors and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the meeting by sending e-mail to maharani.ts@gati.com.
- 14) Members holding shares in physical mode:
 - a) are required to submit their Permanent Account Number (PAN) and bank account details to the Investor Service Department of the Company, if not registered with the Company.
 - b) are requested to register / update their e-mail address with the Investor Service Department of the Company for receiving all communications from the Company electronically.
- 15) Members holding shares in electronic mode:
 - a) are requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts.
 - b) are requested to register / update their e-mail address with their respective DPs for receiving all communications from the Company electronically.
- 16) Non-Resident Indian members are requested to inform respective DPs, immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- 17) Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Investor Service Department of the Company/RTA, in case the shares are held by them in physical form.

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

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

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

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

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

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

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

The Company has received consent in writing to act as Director in Form DIR-2 and intimation in Form DIR-8 to the effect that she is not disqualified from being appointed as a Director in terms of Section 164(2) of the Act. Notice received under Section 160 of the Act is available for inspection by the members at the Registered office of the Company during the business hours on any working day upto the date of the Annual General Meeting.

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

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

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

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

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

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

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

Mr. Dinesh Kumar Lal, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a First Term of 5 (Five) years commencing from February 01, 2022.

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

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

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

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

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

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

ANNEXURE TO THE NOTICE

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

Mr. Adarsh Sudhakar Hegde (DIN: 00035040)	
Age	59
Qualifications	Bachelor's degree in Mechanical Engineering from Nitte Education Trust, Mangalore
Experience (including expertise in specific functional area) / Brief Resume	<p>He started his career as an Assistant Maintenance Engineer with Eastern Ceramics Private Limited, Mumbai in 1987 and has served the organization in various capacities.</p> <p>He has experience in the field of logistics close to three decades. He is designated as Joint Managing Director of Allcargo Logistics Limited. His business acumen and vision in logistics business, advanced and modern management proficiency quality drives him as an ideal business leader. He has played a key role in designing and implementing various systems and procedures, which resulted in exponential growth opportunities for the Company.</p>
Terms & Conditions of Appointment	As per the appointment letter
Remuneration Last Drawn (FY 2021-22)	₹ 1,50,00,000/- (Rupees One Crore and Fifty Lacs Only)
Remuneration proposed to be paid	As per the appointment letter
Date of first appointment on the Board	October 5, 2020
Shareholding in the Company as on March 31, 2022	-
Relationship with other Directors	Sister - Mrs. Arathi Shetty - Non-Executive Director
Number of meetings of the Board attended during the financial year (2021-22)	4
Directorships of other Boards as on March 31, 2022	<ul style="list-style-type: none"> ➤ Allcargo Logistics Limited ➤ Avashya Supply Chain Private Limited ➤ Avashya CCI Logistic Park Private Limited ➤ Container Freight Station Association of India ➤ Contech Logistics Solutions Private Limited ➤ Transindia Logistic Park Private Limited ➤ Avashya CCI Logistics Private Limited ➤ Allcargo Multimodal Private Limited ➤ ECU International (Asia) Private Limited ➤ Alltrans Logistics Private Limited ➤ Indport Maritime Agencies Private Limited; ➤ Transindia Freight Services Private Limited
Membership/Chairpersonship of Audit/ Stakeholders Committees of other Boards as on March 31, 2022	<ul style="list-style-type: none"> ➤ Allcargo Logistics Limited ➤ Stakeholders Relationship Committee

Mrs. Arathi Shetty (DIN: 00088374)	
Age	57
Qualifications	Graduate in Arts
Experience (including expertise in specific functional area) / Brief Resume	Mrs. Arathi Shetty is the Director of Allcargo Logistics Limited ("Allcargo") since its incorporation. Mrs Shetty has an experience of over 22 years in the business of logistics. Mrs Shetty spearheads the sustainability initiatives of Allcargo under the Avashya Foundation. Mrs Shetty is responsible for devising policies and identifying projects as per the 6 key focus areas of the CSR activities of the Company. Mrs Shetty has been renowned for her contribution to social causes as well as supporting and giving to those in need.
Terms & Conditions of Appointment	Not Applicable
Remuneration Last Drawn (FY 2021-22)	Not Applicable
Remuneration proposed to be paid	-
Date of first appointment on the Board	May 19, 2022
Shareholding in the Company as on May 19, 2022	-
Relationship with other Directors	Husband - Mr. Shashi Kiran Shetty – Chairman and Managing Director of Gati Ltd, Holding Company Brother - Mr. Adarsh Sudhakar Hegde – Chairman and Managing Director of the Company
Number of meetings of the Board attended during the financial year (2021-22)	Not Applicable
Directorships of other Boards as on May 19, 2022	<ul style="list-style-type: none"> ➤ Allcargo Logistics Limited ➤ Agl Warehousing Private Limited ➤ Contech Logistics Solutions Private Limited ➤ Allcargo Inland Park Private Limited ➤ Altcargo Oil & Gas Private Limited ➤ Malur Logistics And Industrial Parks Private Limited ➤ Allcargo Terminals Limited (Formerly Known As Allcargo Terminals Pvt. Ltd. And Allcargo Projects Pvt. Ltd.) ➤ Allcargo Shipping Services Private Limited ➤ Avash Builders And Infrastructure Private Limited ➤ Jupiter Precious Gems And Jewellery Private Limited ➤ N. R. Holdings Private Limited ➤ Prominent Estate Holdings Private Limited ➤ Sealand Crane Private Limited ➤ Talentos (India) Private Limited ➤ Transindia Freight Private Limited ➤ Pirkon Properties Private Limited
Membership/Chairpersonship of Audit/Stakeholders Committees of other Boards as on May 19, 2022	<ul style="list-style-type: none"> ➤ Allnet Financial Service Private Limited ➤ Talentos Entertainment Private Limited ➤ Avashya Corporation Private Limited ➤ Avashya Holding Private Limited ➤ Alltrans Logistics Private Limited ➤ Indport Maritime Agencies Private Limited ➤ Hoskote Warehousing & Industrial Parks Private Limited

Mr. Dinesh Kumar Lal (DIN: 00037142)	
Age	70
Qualifications	Graduate (B. Com- Hons)
Experience (including expertise in specific functional area) / Brief Resume	<p>Mr. Dinesh Kumar Lal is a shipping and logistics professional with more than 4 decades of experience in the Shipping Industry. He is renowned for his astute knowledge about Shipping Industry. His management skills and entrepreneurial spirit has driven many conglomerates to achieve pinnacle of success during his tenure.</p> <p>He played a pivotal role in creating a mutually beneficial ground between companies and government bodies. Some of the famed quasi Government projects in India were established under his guidance and participation.</p> <p>He is an avid golfer and has special interest in vintage cars. He has won many tournaments.</p>
Terms & Conditions of Appointment	Not Applicable
Remuneration Last Drawn (FY 2021-22)	Not Applicable
Remuneration proposed to be paid	-
Date of first appointment on the Board	February 01, 2022
Shareholding in the Company as on February 01, 2022	-
Relationship with other Directors	Not related to any of the Directors of the Company
Number of meetings of the Board attended during the financial year (2021-22)	Not Applicable
Directorships of other Boards as on February 01, 2022	<ul style="list-style-type: none"> ➤ Lotus Court Limited ➤ Speedy Multimodes Limited ➤ Raymond Limited ➤ Raymond Apparel Limited ➤ Gati Limited ➤ Shefali Farms Private Limited ➤ Ami Global Logistics Private Limited ➤ Hi-Tos Liner Agency Private Limited ➤ Alert Agencies And Investments Private Limited ➤ Santusht Credit Capital And Finance Private Limited ➤ Eden Realtors Private Limited ➤ Chembur Golf Welfare Foundation
Membership/Chairpersonship of Audit/ Stakeholders Committees of other Boards as on February 01, 2022	<ul style="list-style-type: none"> ➤ Raymond Limited ➤ Gati Limited

DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the report of the Business and Operations of your Company ('the Company' or 'GKEPL'), along with the audited financial statements, for the financial year ended March 31, 2022.

1) FINANCIAL HIGHLIGHTS

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

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

2) DIVIDEND

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

3) RESERVES

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

4) EQUITY SHARE CAPITAL

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

5) REVIEW OF OPERATIONS

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

6) BUSINESS PERFORMANCE

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

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

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

Express distribution Services

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

Surface freight

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

Air freight

When it comes to critical cargo and time-sensitive transportation especially for pharmaceuticals and essential goods as well as electronic and auto supply chain elements, Gati-KWE supports customers with reliable and cost effective air express solutions.

Gati Air in the past year has strengthened connections to all of India's commercial airports and we have partnerships with India's leading domestic airlines which creates a significant advantage for the company as well as customers who can now rely on Gati-KWE for a combination of air and surface express to deliver time-urgent cargo to all parts of the country.

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

7) CREDIT RATING

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

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

8) FUTURE PROSPECTS

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

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

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

9) GLOBAL MACROECONOMICS

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

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

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

10) INDIA OUTLOOK

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

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

11) INDIAN LOGISTICS SECTOR

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

Following are the key drivers:

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

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

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

Growth Drivers for Organized Logistics players

Evolving B2C demand and consumption trends:

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

Value-Added Services

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

Evolving B2B demand and consumption patterns

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

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

Enabling regulatory and policy reforms

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

Technology-driven supply chain transformation

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

Data-driven decision support

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

Hardware and software automation

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

12) QUALITY

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

13) DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

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

During the year under review:

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

During the current year:

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

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

14) PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

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

Having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection on all working days, during business hours, at the Corporate Office of the Company. Any member interested in obtaining such information may write to the Company and the same will be furnished on request.

15) DECLARATION ON INDEPENDENT DIRECTORS

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

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

16) BOARD EVALUATION

The Board of Directors had appointed an Independent external agency i.e. HR Craft Business Consulting Private Limited to implement and finalize

schedule, framework, mechanism for performance evaluation and assessment of Board, its committees, independent & non-independent directors as per the provisions of the Companies Act, 2013.

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

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

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

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

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

17) SEPARATE MEETINGS OF THE INDEPENDENT DIRECTORS

During the year under review, a meeting of the Independent Directors was convened on March 30, 2022, inter alia, to discuss:

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

18) PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

19) CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

20) RELATED PARTY TRANSACTIONS

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

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

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

21) COMMITTEES OF THE BOARD

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

The Company has three Board-level Committees, namely:

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

22) MEETINGS OF THE BOARD & COMMITTEES

During the financial year 2021-22, the Board met Four (4) times: on May 18, 2021, August 05, 2021, October 25, 2021 and February 01, 2022. The below table gives the attendance of the Directors in the board meetings.

S. No	Name of the Director	No. of Board meetings entitled to attend	No. of Board meetings attended
1.	Mr. Adarsh Sudhakar Hegde	4	4
2.	Mr. Nilesh Shivji Vikamsey [#]	4	4
3.	Mr. Dinesh Kumar Lal [^]	1	1
4.	Ms. Sheela Bhide	4	4
5.	Mr. Vibhu Prakash Annaswamy ^{##}	3	3
6.	Mr. Masaru Kobayashi ^{##}	3	3
7.	Mr. Balasubramanian Aghoramurthy [*]	2	2
8.	Mr. Ramachandran Rajaraman	4	4
9.	Mr. Seng Kok Tan ^{**}	1	1
10.	Mr. Kazuhisa Kawamura ^{**}	1	1

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

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

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

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

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

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

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

23) AUDIT COMMITTEE

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

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

24) VIGIL MECHANISM

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

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

25) POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE.

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

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

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

26) DIRECTORS' RESPONSIBILITY STATEMENT

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind-AS) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair value, the provision of the Act (to the extent notified). The Ind-AS are prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 effective April 01, 2016, the

company has adopted all the Ind-AS standards and the adoption was carried out in accordance with applicable transition guidance. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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

1. That in the preparation of the Annual Accounts for the financial year ended March 31, 2022, the applicable accounting standards and schedule III of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force), have been followed along with the proper explanation relating to material departures;
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit and loss of the Company for the financial year ended March 31, 2022;
3. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force), for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the accounts have been prepared on 'going concern' basis, for the financial year ended March 31, 2022;
5. That the Company, had laid down internal financial controls and that such internal financial controls are adequate and were operating effectively;
6. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

27) EXTRACT OF ANNUAL RETURN

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

28) DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

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

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

29) INTERNAL FINANCIAL CONTROLS

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

Further, the statutory auditors of your company have also issued an attestation report on internal control over financial reporting (as defined in section 143 of Companies Act, 2013) for the financial year ended March 31, 2022, which forms part of the Statutory Auditors' Report.

30) GOVERNANCE, COMPLIANCE AND BUSINESS INTEGRITY

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

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

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

31) AUDITORS

a) Statutory Auditors

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

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

The Auditors' Report for the financial year ended March 31, 2022 on the financial statement of the Company is a part of this Annual Report. The Auditors have given an unqualified opinion on the financial statements of the Company.

b) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. Puttaparthi Jagannatham & Co., to undertake the Secretarial Audit of your Company. The Report of the Secretarial Audit is annexed as **Annexure – B**.

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

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

33) HUMAN RESOURCES

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

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

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

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

Our L&D framework is designed to fuel future ready resources through structured 'Capability Development' initiatives based on a highly scientific approach, aiming at creating domain expertise and Leadership capabilities across levels and functions. We have initiated various learning interventions to meet talent requirement across various levels and functions such as GTRN (Graduate Trainee) Program, BDET (Business Development Executive Trainee) Program, Back2Basics (byte-sized customized chunks of continuous learning capsules) and PDW (Professional Development Workshop series) Program for Associates and Executives; AMTR (Assistant Manager Trainee) Program for assessing and developing the right Front-line Managers with the Framework being named as Discovering the Manager in You; Beyond Managing to Leading, a structured Leadership Development Framework for our Mid-Management level, Coaching on Leadership for

Senior Leaders and several such domain-specific and behavioural interventions. We have a diverse talent base of 3432 high-calibre Gati'ites of which **Gen Y comprises 64%** of workforce. Our online, classroom-based and blended training interventions covered all **3432 Gati'ites ensuring minimum 3 man days** of training for everyone.

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

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

34) GENERAL

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise;
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme;
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;
4. During the period under review, none of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143 (12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force);
5. The Company has complied with Secretarial Standards, i.e. SS-1 and SS-2, relating to Meetings of the Board of Directors and General Meetings, issued by the Institute of Company Secretaries of India.

Annexure-A

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

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>Gati-KWE strives to be a socially responsible corporate by fulfilling its responsibilities as a member of the society and community, thereby creating a positive impact to the stakeholders with a concern towards the environment. The programs include Education, Community, Environment Sustainability and Rural Development Projects & Donations.</p> <p>The CSR policy of the company is available on the website of the company i.e., http://www.gatikwe.com/wp-content/uploads/2018/07/Gati-KWE-CSR-Policy.pdf</p>																				
2. The Composition of the CSR Committee	<table border="1"> <thead> <tr> <th>S.No.</th> <th>Name of the Director</th> <th>Designation and Nature of Directorship</th> <th>Number of meetings of CSR Committee held during the year</th> <th>Number of meetings of CSR Committee attended during the year</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Mr. Vibhu Prakash Annaswamy</td> <td>Chairman - Nominee Director</td> <td>1</td> <td>1</td> </tr> <tr> <td>2</td> <td>Ms. Sheela Bhide</td> <td>Member – Non Executive Independent Director</td> <td>1</td> <td>1</td> </tr> <tr> <td>3</td> <td>Mr. Adarsh Sudhakar Hegde</td> <td>Member- Managing Director</td> <td>1</td> <td>1</td> </tr> </tbody> </table>	S.No.	Name of the Director	Designation and Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year	1	Mr. Vibhu Prakash Annaswamy	Chairman - Nominee Director	1	1	2	Ms. Sheela Bhide	Member – Non Executive Independent Director	1	1	3	Mr. Adarsh Sudhakar Hegde	Member- Managing Director	1	1
S.No.	Name of the Director	Designation and Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year																	
1	Mr. Vibhu Prakash Annaswamy	Chairman - Nominee Director	1	1																	
2	Ms. Sheela Bhide	Member – Non Executive Independent Director	1	1																	
3	Mr. Adarsh Sudhakar Hegde	Member- Managing Director	1	1																	
3. Weblink for CSR Policy and approved CSR Projects	<p>CSR Policy https://www.gatikwe.com/wp-content/uploads/2021/12/GKEPL-CSR-Policy.pdf</p> <p>CSR Projects https://www.gati.com/csr/</p>																				
4. Impact Assessment of CSR Projects Carried out, if any	No Impact assessment was carried out by the company during the year as the company does not have an average CSR Obligation of ₹10 crore or more in 3 preceding Financial years.																				
5. Excess CSR Amount available for set off during the year	NIL																				
6. Average net profit of the Company for last three financial years for the purpose of computation of CSR	₹ 18,63,88,998/-																				
7. (a) Two percent of average Net Profit as per Sec 135(5)	₹12,42,593/-																				
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	NIL																				
(c) Amount required to be set off for the financial year, if any	NIL																				
(d) Total CSR Obligation for FY 2021-22	₹ 12,42,593/-																				

8. (a) Details of CSR amount spent or unspent during the financial	Amount Unspent (in ₹)				
	Total Amount Spent for the Financial Year (in ₹)	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)	
		Amount	Date of Transfer	Amount	Date of transfer
	12,43,266/-	Nil	Nil	Nil	Nil
(b) Amount spent against ongoing projects for the FY 2021-22	NIL				
(c) Amount spent against other than ongoing projects for the FY 2021-22	Please find the Table A attached hereunder				
(d) Amount spent on administrative overheads	NIL				
(e) Amount spent on Impact Assessment, if applicable	NIL				
(f) Total amount spent for FY 2021-22	12,43,266/-				
(g) Excess amount for set off, if any	NIL				
9. (a) Details of Unspent CSR amount for the preceding three financial years.	NIL				
b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s).	NIL				
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year	NIL				
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).	The company has duly spent the two percent of the average net profit as per Section 135(5) on CSR during the FY 2021-22.				

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

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

Adarsh Sudhakar Hegde
Chairman & Managing Director
DIN: 00035040

Vibhu Prakash Annaswamy
Chairman, CSR Committee
DIN: 07423494

Place: Hyderabad
Date: May 19, 2022

Annexure-B

FORM NO. MR-3

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

SECRETARIAL AUDIT REPORT

For the Financial Year Ending 31st March 2022

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

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

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

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

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

We further report that

- (i) based on the information provided by the Company, its officers and its authorised representatives during the conduct of the audit and also on review of quarterly reports by respective Department Heads/ Company Secretary/ CEO taken on record by the Board of Directors of the Company, adequate systems

and processes and control mechanism exist in the company to monitor and ensure the compliance of with the applicable general laws like labour laws, competition law and environment laws.

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

recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that

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

For Puttapparthi Jagannatham & Co.
Company Secretaries

CS Navajyoth Puttapparthi
Partner

FCS No: 9896; C P No: 16041

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

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

'ANNEXURE A'

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

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

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

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

For Puttapparthi Jagannatham & Co.
Company Secretaries

CS Navajyoth Puttapparthi
Partner

FCS No: 9896; C P No: 16041

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

Annexure-C

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

A) CONSERVATION OF ENERGY:

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

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

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

B) TECHNOLOGY ABSORPTION:

CRM - Salesforce:

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

Digital Payments:

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

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Gati Kintetsu Express Private Limited
Report on the Audit of the Financial Statements

OPINION

We have audited the accompanying financial statements of Gati Kintetsu Express Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, (including the statement of Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of

the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Sr. No.	Key Audit Matter	How our audit addressed the key audit matters
1	<p>Impairment of Goodwill (See Note 5 to the financial statements)</p> <p>The Company holds goodwill of ₹12,506 lakhs on the statements of financial position.</p> <p>The determination of the recoverable amount of goodwill is a key judgment area as small changes in assumptions made, notably in respect of the future performance of the business and the discount rates applied to future cash flows projections can result in material different outcomes.</p>	<p>Our audit with respect to impairment testing of goodwill included the following:</p> <ul style="list-style-type: none"> - Engaging valuation experts to challenge management's underlying assumptions and appropriateness of the valuation model used. - Comparing the Company's assumptions with comparable benchmarks in relation to key inputs such as long-term growth rates and discount rates. - Assessing the appropriateness of the forecasted cash flows within the budgeted period based on their understanding of the business and sector experience.
2	<p>Recoverability of Trade Receivable (See Note 12 to the financial statements)</p> <p>The gross balance of trade receivables as at March 31, 2022 amounted to ₹26,953 lakhs.</p> <p>Due to the inherent subjectivity that is involved in making judgments in relation to credit risk exposures to determine the recoverability of trade receivables, it is considered a key audit matter.</p>	<p>Our audit with respect to determining recoverability of Trade Receivables included the following:</p> <ul style="list-style-type: none"> - Evaluating the Company's processes and controls relating to the monitoring of trade receivables and review of credit risks of customers. - Examination of management's assessment of the credit review procedures of trade receivables, obtaining trade receivable confirmations, and mapping receipts from the trade receivables after the year end on test basis. - Evaluation of management's assumptions used to determine the expected credit loss on the trade receivables, through detailed analyses of ageing of receivables to historical patterns of receipts, assessment of material overdue individual trade receivables and risks specific to the trade receivable.
3	<p>Reasonableness of carrying amount of Assets held for sale (See Note 17 to the financial statements)</p> <p>The Company has classified assets earmarked for disposal as Assets held for sales. Assets held for sales carried at lower of cost or fair value. Fair value has been estimated using significant unobservable input including non-binding offers from and negotiation held with prospective buyers as a result of which fair value is sensitive to change in input assumption.</p>	<p>Our audit with respect to determining carrying value of Assets held for sales included the following:</p> <ul style="list-style-type: none"> - Evaluating the Company's processes and controls relating to the classification and valuation of assets held for sale - Examination of management's assessment of expectation of outcome of negotiation with prospective buyer. - Review of independent valuation report of independent external valuer

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or

otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143 (3) of the Act, based on our Audit, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the relevant rules thereon.
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" of this report.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Note 37(i) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to investor education and protection fund by the company.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by

or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (refer note – 51(v) to the financial statements);

- (b) The management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (refer note – 51(vi) to the financial statements); and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. The Company has not declared any dividend in the last year which has been paid in the current year. Further, no dividend has been declared in the current year.

For Singhi & Co.

Chartered Accountants

Firm's Registration No. 302049E

(Anurag Singhi)

Partner

Membership No. 066274

UDIN: 22066274AJGVYW4311

Date: May 19, 2022

Place: New Delhi

Annexure – A to the Independent Auditor’s Report

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

We report that:

- i.
- (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company except in respect of one Building (Located at Pune) having gross block of ₹194.5 lakhs and net block of ₹160.46 lakhs, the title deeds of which are held in the name of erstwhile companies, which were acquired from the Holding Company under a Business Transfer Agreement in the financial year 2011 - 12.

(₹ In lakhs)

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

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

(₹ In lakhs)

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

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

- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- vii.
- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues in respect of goods and services tax though there has been a delay in few cases and is regular in depositing undisputed statutory dues, including Income Tax, provident fund, employees state insurance, service tax, duty of customs, cess, and other material statutory dues, as applicable, with the appropriate authorities though there have been slight delays in a few cases of professional tax.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable, except as mentioned below:

(₹ In lakhs)

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

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows: -

Name of the Statute	Nature of Dues	Amount in lakhs (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	343.41	AY-2014-15 AY-2018-19	Income Tax Appellate Tribunal, Commissioner (Appeals)
Indirect Tax	Sales tax	322.6	2013-14, 2014-15, 2015-16, 2016-17, 2017-18	Assistant Comm, Commercial Tax, Mobile Squad Unit-4 Commercial Tax Mathura

viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

ix.

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) and (f) are not applicable.

x.

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

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

xi.

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

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

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

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

- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in Compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards (Refer Note No. 49).
- xiv.
- (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv. According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable to the Company.
- xvi.
- (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CIC's, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the current and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (refer note - 50 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable for reporting by the Company as it does not have any subsidiary, associate, or joint venture hence reporting under CARO 2020 is not applicable to it.

For Singhi & Co.

Chartered Accountants

Firm's Registration No. 302049E

(Anurag Singhi)

Partner

Date: May 19, 2022

Place: New Delhi

Membership No. 066274

UDIN: 22066274AJGVYW4311

Annexure – B to the Independent Auditor’s Report

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

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

We have audited the internal financial controls with reference to financial statements of Gati Kintetsu Express Private Limited (“the Company”) as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the ‘Guidance Note’) and the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company’s internal financial control with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

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

based on the internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However certain controls in respect of the revenue contract mapping needs to be further strengthened.

For **Singhi & Co.**

Chartered Accountants

Firm's Registration No. 302049E

(**Anurag Singhi**)

Partner

Membership No. 066274

UDIN: 22066274AJGVYW4311

Date: May 19, 2022

Place: New Delhi

Balance Sheet

as at March 31, 2022

(₹ in lakhs)

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

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

As per our report of even date

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

Anurag Singhi
Partner
Membership no: 066274

Place: New Delhi
Date: May 19, 2022

For and on behalf of the Board of Directors

Adarsh Hegde
Chairman & Managing Director
DIN: 00035040

Anish T Mathew
Chief Financial Officer
M. No. 211965

Place: Hyderabad
Date: May 19, 2022

Pirojshaw Sarkari
Chief Executive Officer

T S Maharani
Company Secretary
M No. F8069

Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in lakhs)

Particulars	Notes	Year Ended March 31, 2022	Year Ended March 31, 2021
(I) INCOME			
Revenue from Operations	28	124,232	101,185
Other Income	29	1,082	496
TOTAL INCOME (I)		125,314	101,681
(II) EXPENSES			
Operating Expenses	30	91,196	70,150
Employee Benefits Expense	31	15,291	15,084
Finance Costs	32	2,220	2,582
Depreciation and Amortization Expense	33	3,217	3,136
Other Expenses	34	14,177	12,662
TOTAL EXPENSES (II)		126,101	103,614
(III) PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)		(787)	(1,933)
(IV) Exceptional Items	35	2,518	4,151
(V) PROFIT/(LOSS) BEFORE TAX (III-IV)		(3,305)	(6,084)
(VI) TAX EXPENSES	36		
Current Tax		215	-
Deferred Tax		(241)	(1,718)
Tax related to earlier years		727	-
TOTAL TAX EXPENSES		701	(1,718)
(VII) PROFIT/(LOSS) FOR THE YEAR (V-VI)		(4,006)	(4,366)
(VIII) OTHER COMPREHENSIVE INCOME (OCI)			
Items not to be reclassified to profit or loss in subsequent periods:			
a) Re-Measurement gains/(losses) on defined benefit plans		(418)	(329)
b) Income tax effect on above item		105	83
OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX)		(313)	(246)
(IX) TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VIII+VII)		(4,319)	(4,612)
EARNINGS PER EQUITY SHARE	43.		
[Nominal value per share ₹ 10/- (March 31, 2021: ₹ 10/-)]			
Basic (in ₹)		(801.23)	(873.23)
Diluted (in ₹)		(801.23)	(873.23)

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

As per our report of even date

For Singhi & Co.

Chartered Accountants

ICAI Firm Registration No: 302049E

Anurag Singhi

Partner

Membership no: 066274

Place: New Delhi

Date: May 19, 2022

For and on behalf of the Board of Directors

Adarsh Hegde

Chairman & Managing Director

DIN: 00035040

Anish T Mathew

Chief Financial Officer

M. No. 211965

Place: Hyderabad

Date: May 19, 2022

Pirojshaw Sarkari

Chief Executive Officer

T S Maharani

Company Secretary

M No. F8069

Cash Flow Statement

for the year ended March 31, 2022

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

Cash Flow Statement

for the year ended March 31, 2022

(₹ in lakhs)

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

Notes :

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

(₹ in lakhs)

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

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

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

(*)Includes current maturities of long term borrowings

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

As per our report of even date

For and on behalf of the Board of Directors

For Singhi & Co.

Chartered Accountants

ICAI Firm Registration No: 302049E

Adarsh Hegde

Chairman & Managing Director

DIN: 00035040

Pirojshaw Sarkari

Chief Executive Officer

Anurag Singhi

Partner

Membership no: 066274

Anish T Mathew

Chief Financial Officer

M. No. 211965

T S Maharani

Company Secretary

M No. F8069

Place: New Delhi

Date: May 19, 2022

Place: Hyderabad

Date: May 19, 2022

Statement of Changes in Equity

for the Year Ended March 31, 2022

A) Equity Share Capital

(₹ in lakhs)

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

B) Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus			Total
	Securities Premium	General Reserve	Retained Earnings	
Balance as at March 31, 2021	17,836	1,720	10,333	29,889
Profit/(Loss) for the year	-	-	(4,006)	(4,006)
Remeasurement gain/(loss) (net of deferred tax)	-	-	(313)	(313)
Balance as at March 31, 2022	17,836	1,720	6,014	25,570

(₹ in lakhs)

Particulars	Reserves and Surplus			Total
	Securities Premium	General Reserve	Retained Earnings	
Balance as at March 31, 2020	17,836	1,720	14,945	34,501
Profit/(Loss) for the year	-	-	(4,366)	(4,366)
Remeasurement gain/(loss) (net of deferred tax)	-	-	(246)	(246)
Balance as at March 31, 2021	17,836	1,720	10,333	29,889

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

As per our report of even date

For Singhi & Co.

Chartered Accountants

ICAI Firm Registration No: 302049E

Anurag Singhi

Partner

Membership no: 066274

Place: New Delhi

Date: May 19, 2022

For and on behalf of the Board of Directors

Adarsh Hegde

Chairman & Managing Director

DIN: 00035040

Anish T Mathew

Chief Financial Officer

M. No. 211965

Place: Hyderabad

Date: May 19, 2022

Pirojshaw Sarkari

Chief Executive Officer

T S Maharani

Company Secretary

M No. F8069

Notes to financial statements

for the Year Ended March 31, 2022

1) CORPORATE AND GENERAL INFORMATION:

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

2) BASIS OF ACCOUNTING

2.1 Statement of Compliance

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

2.2 Basis of Measurement

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

- Financial Instruments - Measured at Fair value/ Amortised cost;
- Plan Assets under defined benefit plans- Measured at fair value;
- Employee Share Based payments - Measured at fair value

2.3 Functional and Presentation Currency

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

2.4 Use of Estimates and Judgements

The preparation of the Company's financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, income and expenses, the accompanying disclosures and disclosures of contingent liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The

application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumption in these financial statements have been disclosed below. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates and judgments used are as below:

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

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

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

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

2.6 Current Vs Non-Current Classification

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

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

Notes on Financial Statements

for the Year Ended March 31, 2022

All the other assets are classified as non-current.

A liability is current when:

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

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

2.7 Recent accounting pronouncements

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

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

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

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

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

3) SIGNIFICANT ACCOUNTING POLICIES:

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

3.1 Property, plant and equipment

Recognition and Measurement:

- Property, plant and equipment (PPE) held for use in the supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and cumulative impairment losses (if any).
- The initial cost at cash price equivalent of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable costs of bringing the assets to its working condition and location and present value of any obligatory decommissioning costs for its intended use. Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of PPE or bringing the PPE to working condition are allocated and capitalized as a part of cost of PPE. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Capital work in progress and Capital Advances:

Capital work-in-progress represents Property, Plant and Equipment that are not yet ready for their intended use as at the Balance sheet date. Capital

Notes on Financial Statements

for the Year Ended March 31, 2022

advances given towards purchase/ acquisition of PPE outstanding at each balance sheet date are disclosed separately as Other Non-current Assets.

Non-current assets held for sale

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

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

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

Subsequent Expenditure:

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

Depreciation and Amortisation:

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

(up to) the date on which asset is ready for use (disposed-off).

De-recognition Assets:

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

3.2 Intangible Assets:

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

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

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

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

3.3 Lease

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

Company as a lessee

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

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

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial

Notes on Financial Statements

for the Year Ended March 31, 2022

direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

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

(ii) Lease Liabilities

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

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

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

3.4 Impairment of assets:

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

Notes on Financial Statements

for the Year Ended March 31, 2022

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

3.5 Foreign currency Transactions:

- a) The financial statements are presented in Indian Rupee (INR), which is the functional and presentation currency of the Company.
- b) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction.
- c) At each balance sheet date, foreign currency monetary items are restated using the closing exchange rate.
- d) Any exchange difference on account of settlement of foreign currency transactions and restatement of monetary assets and liabilities denominated in foreign currency is recognized in the Statement of Profit and Loss.
- e) Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.6 Revenue recognition:

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

a) Rendering of services:

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

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

b) Others:

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

3.7 Financial instruments:

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

(i) Financial assets:

a) Initial recognition and measurement:

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

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

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

Notes on Financial Statements

for the Year Ended March 31, 2022

- **Financial assets at amortized cost:**

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

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

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

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

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

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

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

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

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

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

reduces an accounting mismatch that would otherwise arise.

- b) **Subsequent measurement**

For purposes of subsequent measurement:

Category	Subsequent measurement and gains and Losses
Financial assets at amortized cost	<p>These assets are subsequently measured at amortized cost using the effective interest method (EIR).</p> <p>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.</p>
Equity investments at FVOCI	<p>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.</p>
Financial assets at FVTPL	<p>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.</p>

- (ii) **Financial Liability:**

Financial liabilities are classified and measured at amortized cost or FVTPL

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

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

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

Notes on Financial Statements

for the Year Ended March 31, 2022

- **Financial liabilities at amortized cost:**

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

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

- b) **Financial guarantee liability:**

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

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

- (iii) **Impairment of Financial Assets:**

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets which are not fair valued through Statement of Profit and Loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL at each reporting date, right from its initial recognition. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

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

- (iv) **De-recognition:**

- a) **Financial Assets:**

The Company derecognizes a financial asset only

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

- b) **Financial liabilities:**

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

- (v) **Offsetting:**

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

Notes on Financial Statements

for the Year Ended March 31, 2022

3.8 Fair Value measurement:

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

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

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

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

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

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

3.9 Employee benefits:

a) Defined contribution plan:

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

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

b) Defined benefit plan:

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

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

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

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

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit

Notes on Financial Statements

for the Year Ended March 31, 2022

that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately in Statement of Profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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

c) **Compensated absences:**

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

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

d) **Short-term employee benefit:**

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

3.10 **Income taxes:**

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

a) **Current tax:**

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

b) **Deferred tax:**

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

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

3.11 **Cash and cash equivalents:**

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

3.12 **Provisions and Contingencies:**

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

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

Notes on Financial Statements

for the Year Ended March 31, 2022

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

3.13 Borrowing cost:

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

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

3.14 Segment Reporting:

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

3.15 Earnings per share:

(i) Basic earnings per share

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

(ii) Diluted earnings per share:

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

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

Notes on Financial Statements for the Year Ended March 31, 2022

4A. Property, Plant and Equipment

TANGIBLE ASSETS

Particulars	Gross Block			Accumulated Depreciation				Net Carrying Value		
	As at March 31, 2021	Additions	Assets Reclassified to held for sale	Deductions/Adjustment	As at March 31, 2022	Depreciation for the year	Assets Reclassified to held for sale	Deductions/Adjustment	As at March 31, 2022	As at March 31, 2021
Freehold Land	2,369	-	2,369	-	-	-	-	-	-	2,369
Buildings	800	-	580	-	220	14	104	-	43	177
Lease Hold Improvements	-	78	-	-	78	1	-	-	1	77
Vehicles	879	8	-	596	291	63	-	272	137	154
Plant & Machinery	4,306	205	-	21	4,490	272	-	17	2,377	2,184
Computer	3,476	176	-	221	3,431	426	-	218	3,065	366
Furniture And Fittings	3,082	245	-	-	3,327	199	-	-	2,291	1,036
Office Equipment	2,169	91	-	2	2,258	119	-	2	2,002	256
Total	17,081	803	2,949	840	14,095	1,094	104	509	9,916	4,179

Particulars	Gross Block			Accumulated Depreciation				Net Carrying Value		
	As at March 31, 2020	Additions	Assets Reclassified to held for sale	Deductions/Adjustment	As at March 31, 2021	Depreciation for the year	Assets Reclassified to held for sale	Deductions/Adjustment	As at March 31, 2021	As at March 31, 2020
Freehold Land	8,885	-	6,516	-	2,369	-	-	-	-	2,369
Buildings	4,543	-	3,743	-	800	82	600	-	133	667
Vehicles	4,388	-	2,378	1,131	879	434	531	489	346	533
Plant & Machinery	4,029	278	-	1	4,306	305	-	1	2,122	2,184
Computer	3,967	85	-	576	3,476	483	-	575	2,857	619
Furniture And Fittings	3,018	64	-	-	3,082	239	-	-	2,092	990
Office Equipment	2,122	57	-	10	2,169	200	-	10	1,885	284
Total	30,952	484	12,637	1,718	17,081	1,743	1,131	1,075	9,435	7,646

Notes:

- The amount of Contractual commitments for acquisition of property, plant and equipment is disclosed in Note. 37(II)(a)
- Refer Note 20, 21, 23 for information on Property, Plant and Equipment pledged as securities by the Company.
- The Company has not capitalized any borrowing cost during the year. (March 31, 2021 - Nil)
- Refer note 45 for detailed information on assets held for sale.
- No proceedings have been initiated on or are pending against the company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) [formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)] and Rules made thereunder.
- The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company, except for the following:

Notes on Financial Statements

for the Year Ended March 31, 2022



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

4B Right of use Assets (ROU)

Particulars	Gross Block			Accumulated Amortization			Net Carrying Value		
	As at March 31, 2021	Additions	Deductions/ Adjustment	As at March 31, 2022	As at March 31, 2021	Amortization for the year	Deductions/ Adjustment	As at March 31, 2022	As at March 31, 2021
Buildings	6,375	12,959	276	19,058	1,896	1,677	184	3,389	4,479
Vehicles under Finance Lease	1,335	-	7	1,328	480	166	4	642	855
Vehicles - ALD Cars	-	15	-	15	-	3	-	3	-
Computers - under Finance Lease	346	314	-	660	220	104	-	324	126
Plant & Machinery Leased	-	38	-	38	-	2	-	2	-
Total	8,056	13,326	283	21,099	2,596	1,952	188	4,360	5,460

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

Notes:

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

Notes on Financial Statements

for the Year Ended March 31, 2022

5. GOODWILL

(₹ in lakhs)

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

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

6. OTHER INTANGIBLE ASSETS

(₹ in lakhs)

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

(₹ in lakhs)

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

Notes:

- The amount of Contractual commitments for acquisition of Intangible Assets is disclosed in Note. 37(II)(a)
- The Company has not capitalized any borrowing cost during the year. (March 31, 2021 - Nil)

7. INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in lakhs)

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

Intangible assets under development ageing schedule

(₹ in lakhs)

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

Notes:

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

Notes on Financial Statements

for the Year Ended March 31, 2022

8. OTHER FINANCIAL ASSETS

(₹ in lakhs)

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

9. DEFERRED TAX ASSETS (NET)

(₹ in lakhs)

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

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

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

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

Notes on Financial Statements

for the Year Ended March 31, 2022

10. NON CURRENT TAX ASSET (NET)

(₹ in lakhs)

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

11. OTHER NON-CURRENT ASSETS

(₹ in lakhs)

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

12. TRADE RECEIVABLES

(₹ in lakhs)

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

Ageing for trade receivables as at 31st March, 2022

(₹ in lakhs)

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

Notes on Financial Statements

for the Year Ended March 31, 2022

(₹ in lakhs)

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

Ageing for trade receivables as at 31st March, 2021

(₹ in lakhs)

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

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

Note:

- No Trade receivables are due from directors and other officers of the company either severally or jointly with any other person.
- For details of debts due from firms or private companies in which any director is a partner, a director or a member, refer Note 49 of related party transactions.
- The Carrying amount of trade receivables is pledged as security for borrowings. (Refer Note 23)
- Trade Receivables are non interest bearing and are generally with the credit period of 30 to 60 days.
- Wherever amounts are "0", the value is less than rupees fifty thousand.

13. CASH AND CASH EQUIVALENTS

(₹ in lakhs)

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

Notes on Financial Statements

for the Year Ended March 31, 2022

14. BANK BALANCES OTHER THAN ABOVE

(₹ in lakhs)

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

15. OTHER FINANCIAL ASSETS

(₹ in lakhs)

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

16. OTHER CURRENT ASSETS

(₹ in lakhs)

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

17 ASSETS CLASSIFIED - HELD FOR SALE

(₹ in lakhs)

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

Notes on Financial Statements

for the Year Ended March 31, 2022

18. EQUITY SHARE CAPITAL

(₹ in lakhs)

	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Authorized:				
Equity Shares of ₹ 10/- each	750,000	75	750,000	75
		75		75
Issued:				
Equity Shares of ₹ 10/- each fully paid up	500,000	50	500,000	50
		50		50
Subscribed and Paid-up:				
Equity Shares of ₹ 10/- each fully paid up	500,000	50	500,000	50
	500,000	50	500,000	50

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

b) Terms /Rights attached to Shareholders

The Company has only one class of issued shares i.e. Equity Shares having par value of ₹ 10 per share. Each holder of Equity Shares is entitled to one vote per share and equal right for dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

c) Gati Limited is the Holding Company of this Company as at 31st March 2022, 3,50,000 shares (PY 3,50,000 shares) are held by the holding company.

d) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

(₹ in lakhs)

	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares of ₹ 10 each fully paid				
Shares at the beginning of the year	500,000	50	500,000	50
Shares at the end of the year	500,000	50	500,000	50

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

(₹ in lakhs)

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

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

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

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

i) Details of Promoters Shareholding

(₹ in lakhs)

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

Notes on Financial Statements

for the Year Ended March 31, 2022

19. OTHER EQUITY

(₹ in lakhs)

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

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

Securities Premium

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

General Reserve

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

Retained Earnings

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

20. NON CURRENT BORROWINGS

(₹ in lakhs)

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

Particulars of Nature of security

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

21 LEASE LIABILITIES

(₹ in lakhs)

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

Notes on Financial Statements

for the Year Ended March 31, 2022

22. PROVISIONS

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

23. CURRENT BORROWINGS

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

- a) Working Capital Borrowings in rupees is secured by book debts and other current assets of the company on pari-passu charge with all working capital lenders under multiple banking arrangement. Weighted average rate of interest is 7.46%.

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

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

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

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

Notes on Financial Statements

for the Year Ended March 31, 2022

24. TRADE PAYABLES

(₹ in lakhs)

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

Ageing for trade payables as at 31st March, 2022

(₹ in lakhs)

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

Ageing for trade payables as at 31st March, 2021

(₹ in lakhs)

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

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

25. OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

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

Notes on Financial Statements

for the Year Ended March 31, 2022

26. OTHER CURRENT LIABILITIES

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Statutory dues	1,572	1,642
Others	21	817
	1,593	2,459

27. PROVISIONS

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

28. REVENUE FROM OPERATIONS

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

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

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

Notes on Financial Statements

for the Year Ended March 31, 2022

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

Transaction Price - Unsatisfied Performance Obligation

The Company's unsatisfied performance obligations mainly arises on account of undelivered shipments. The aggregate value of transaction price allocated to the unsatisfied performance obligations as at March 31, 2022 is ₹ 2534 lakhs, which is expected to be recognised during next year.

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

Contract Balances

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

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

29. OTHER INCOME

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

Notes on Financial Statements

for the Year Ended March 31, 2022

30. OPERATING EXPENSES

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

31. EMPLOYEE BENEFITS EXPENSE

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

Notes;

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

32. FINANCE COSTS

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

33. DEPRECIATION AND AMORTIZATION EXPENSE

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

Notes on Financial Statements

for the Year Ended March 31, 2022

34. OTHER EXPENSES

(₹ in lakhs)

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

34.1 Payment to Auditor (excluding Goods and Service Tax)

(₹ in lakhs)

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

Notes on Financial Statements

for the Year Ended March 31, 2022

34.2 Corporate Social Responsibility Expenditure

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

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

(d) Amount spent during the year on:

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

(e) Unspent Amount:

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

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

35. EXCEPTIONAL ITEMS

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

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

- Diminution in the present fair value of the assets sold during the year and proposed to be sold which is disclosed as "Assets held for Sale" to the extent of ₹ 835 lakhs.
- GST related expense provision provided in the current year, pertaining to earlier years based on a prudent management estimate of ₹1683 lakhs. Out of the above the company has paid ₹494 lakhs.

Notes on Financial Statements

for the Year Ended March 31, 2022

36. TAX EXPENSES

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

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

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

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

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

37. CONTINGENT LIABILITIES AND COMMITMENTS

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

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

Notes on Financial Statements

for the Year Ended March 31, 2022

Notes :

- Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements / decisions pending with various forums / authorities.
- The company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. Also, the Company does not expect any reimbursement in respect of the above contingent liabilities.
- Based on the expert legal opinion obtained by the company, management is of the view that company has a strong ground to defend the case, thereby, estimated interest of ₹ 825 lakhs pertaining to exceptional item of GST related expense provision has not been provided in books.

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

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

- There has been a Supreme Court (SC) judgement dated February 28, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. During the current year ended March 31, 2022, Company is in compliance with same. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, was not ascertainable and consequently no effect was given in the accounts.
- Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment has been notified in the official Gazette on September 29, 2020 and its effective date is yet to be notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the year the Code becomes effective.

(II) Commitments

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

38. LEASES

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

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

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

Notes on Financial Statements

for the Year Ended March 31, 2022

(b) Amount recognized in Profit or Loss

(₹ in lakhs)

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

(c) Amounts recognised in the statement of cash flow

(₹ in lakhs)

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

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

(₹ in lakhs)

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

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

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

(₹ in lakhs)

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

(₹ in lakhs)

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

Notes on Financial Statements

for the Year Ended March 31, 2022

Defined benefits - Gratuity

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

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

The Company expects to contribute ₹ 494 lakhs to Gratuity Fund in the next year.

Inherent risk

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

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

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

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

Notes on Financial Statements

for the Year Ended March 31, 2022

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
(b) Past service cost	-	-
(c) Interest cost	67	68
(d) Interest income	(23)	(37)
Amount charged to Profit or Loss	183	159
(V) Remeasurements recognised in Other Comprehensive Income		
(a) Actuarial (gain) / loss on defined benefit obligation	417	324
(b) Return on plan asset excluding interest income	1	5
Amount recognised in Other Comprehensive Income	418	329
(VI) Plan assets		
Plan assets comprise of the following:		
(a) Investments with LIC	100%	100%
(VII) Actuarial assumptions		
Principal actuarial assumptions at the reporting date (expressed as weighted averages)		
(a) Discount rate	5.77%	5.58%
(b) Future salary growth	8.00% first 2 years; 6.00% thereafter	6.00%
(c) Retirement age (years)	58	58
(d) Withdrawal rates	30%	25%

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

(IX) Sensitivity analysis

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

(₹ in lakhs)

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

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

(₹ in lakhs)

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

Notes on Financial Statements

for the Year Ended March 31, 2022

40. DUE TO MICRO ENTERPRISES AND SMALL ENTERPRISES

(₹ in lakhs)

	As at March 31, 2022	As at March 31, 2021
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year :		
Principal amount due to micro and small enterprises	1,560	343
Interest due on above	10	-
Total	1,570	343
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

Dues to Micro, small and Medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

41. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

A. Category wise classification of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2022

(₹ in lakhs)

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

Notes on Financial Statements

for the Year Ended March 31, 2022

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

(₹ in lakhs)

	Carrying amount				Total carrying amount
	FVTPL	FVOCI	Other financial assets at amortised cost	Other financial liabilities at amortised cost	
Financial assets not measured at fair value					
Trade receivables	-	-	18,441	-	18,441
Cash and cash equivalents	-	-	3,014	-	3,014
Other bank balances	-	-	1,082	-	1,082
Other financial assets	-	-	3,340	-	3,340
	-	-	25,877	-	25,877
Financial liabilities not measured at fair value					
Borrowing	-	-	-	15,746	15,746
Lease Liabilities	-	-	-	6,064	6,064
Trade payables	-	-	-	8,293	8,293
Other financial liabilities	-	-	-	8,718	8,718
	-	-	-	38,821	38,821

Financial instruments measured at amortised cost

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

B. Financial risk management

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

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

Risk management framework

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

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

(i) Credit risk

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

Notes on Financial Statements

for the Year Ended March 31, 2022

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

a) Trade receivables

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

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

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

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

b) Other Financial Assets (Security deposits given)

The company has security deposits with lessors for leased premises at the year end. The credit worthiness of such lessors is evaluated by the management on an ongoing basis and is considered good. This include security deposits given to lessors with whom Letter of intent is signed.

(ii) Liquidity risk

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

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

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

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

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for the Year Ended March 31, 2022

(₹ in lakhs)

March 31, 2021	Carrying amount	Contractual Cashflows			
		Total	Less than 1 Year	1 to 5 years	More than 5 years
Borrowings	15,746	15,746	14,633	1,113	-
Lease Liabilities	6,064	8,709	1,807	5,022	1,880
Trade Payables	8,293	8,293	8,293	-	-
Other Financial Liabilities	8,718	8,718	8,718	-	-
	38,821	41,466	33,451	6,135	1,880

(iii) Floating exchange rate and interest rate risk

Floating exchanges rates

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

Foreign currency risk

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

Interest rate risk

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

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

(₹ in lakhs)

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

Notes on Financial Statements

for the Year Ended March 31, 2022

Sensitivity analysis

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

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

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

(₹ in lakhs)

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

42. CAPITAL MANAGEMENT

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

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

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

(₹ in lakhs)

43. EARNINGS PER SHARE

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

(₹ in lakhs)

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

45. Company has adopted an Asset Light Strategy, basis which the decision was taken to sell the immovable properties and company owned commercial vehicles and use the proceeds from such sale to pay the debt. Net book value of assets classified held for sale as at March 31, 2022 amounts to ₹ 11,932 Lakhs. Exceptional item refers to loss on fair value of such assets as at March 31, 2022 in line with Ind AS 105. The company has taken necessary steps and negotiation is ongoing with the prospective buyers for the sale of assets classified as AHS which is expected to be concluded in next one year.

Notes on Financial Statements

for the Year Ended March 31, 2022

46. Company has recovered entire overdue receivables from its fellow subsidiary "GATI Import Export private limited" amounting to ₹ 160 lakhs towards freight services and rental income, where the business operations were also discontinued.
47. During the current year, the Board of Directors of the Company vide its meeting held on February 01, 2022 and the Shareholders of the Company vide their Extra-Ordinary General Meeting held on February 28, 2022 have approved the Shifting of Registered Office of the Company from the "State of Telangana" to the "State of Maharashtra at Mumbai", subject to the approval of the Hon'ble Regional Director, South East Region, Hyderabad. Further, the Company has filed the relevant application with the said Hon'ble Regional Director, Hyderabad as per the provisions of the Companies Act, 2013 seeking approval for the same and the matter is pending for the order.
48. During the current year, the Nomination and Remuneration Committee of the Board of Directors of the Holding Company i.e. Gati Limited granted 17,00,000 Employee Stock Appreciation Rights ("ESARs") to the Employees of the Company pursuant to the 'Gati - Employees Stock Appreciation Rights Plan 2021 ('ESAR 2021'/Plan') approved by the Shareholders of the Holding Company. The Holding Company has charged ₹ 31 lakhs towards compensation cost pertaining to the ESARs. [Refer Note 31(a)]

49. RELATED PARTY DISCLOSURES

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

<p>a) Ultimate Holding Company Allcargo Logistics Limited</p>	<p>viii) Talentos (India) Pvt Ltd</p>
<p>b) Holding Company Gati Limited</p>	<p>e) Entities under common influence /control with the company (i) Kintetsu World Express (India) Pvt. Ltd. (ii) TCI Telenet Solutions Pvt Ltd *</p>
<p>c) Fellow Subsidiaries i) Gati Kausar India Ltd# ii) Gati Import Export Trading Ltd iii) Gati Cargo Express (Shanghai) Co. Ltd iv) Avvashya CCI Logistics Private Limited v) Allcargo Inland Park Private Limited vi) Comptech Solutions Private Limited vii) Allcargo Logistics Park Private Limited</p>	<p>f) List of Key Managerial Personnel: Executive directors (i) Mr. Mahendra Agarwal * (ii) Mr. Bala Subramanian Aghoramurthy (Resigned on 11th August, 2021) (iii) Mr. Adarsh Hegde (w.e.f. October 05, 2020) Non-Executive directors (i) Mr. R Ramachandran (ii) Ms. Sheela Bhide (iii) Mr. Kok Seng Tan (till June 01, 2021) (iv) Mr. Kazuhisa kawamura (till June 01, 2021) (v) Mr. SushilKumar Jiwrajka (Appointed on 19.09.2019 & Resigned on 05.12.2019) (vi) Mr. Mohinder Pal Bansal (w.e.f 05th October, 2020 to 04th March, 2021) (vii) Mr. Nilesh Shivji Vikamsey(w.e.f May 18, 2021) (viii) Mr. Dinesh Kumar Lal (w.e.f February 01,2022)</p>
<p>d) Entities in which Key Managerial Personnel & their relatives able to exercise significant influence i) Giri Road lines and Commercial Trading Private Limited * ii) TCI Hiways Pvt.Ltd. * iii) Gati Academy * iv) Jaldi Traders & Commerce House Pvt Ltd. * v) Share India *** vi) Solaflex Solar Energy Private Limited * vii) P.D.Agarwal Foundation *</p>	<p>g) others (i) ABC India Limited * (ii) Chief Executive Officer - Pirojshaw A Sarkari (w.e.f August 02, 2021)</p>

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

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

*** No transactions during the year.

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

Notes on Financial Statements

for the Year Ended March 31, 2022

(B) Summary of the transactions with related parties:

(₹ in lakhs)

Sl. No.	Nature of transactions	Key Managerial Personnel & Relatives		Entities in which Significant Influence Exists		Entities under common influence /control with the company		Ultimate Holding Company		Holding Company		Fellow Subsidiaries		Total	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
(i) EXPENDITURE															
a)	Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Giri Roadlines & Commercial Trading Pvt Ltd	-	-	32	-	-	-	-	-	-	-	-	-	-	32
	Jaldi Traders & commerce house Pvt Ltd	-	-	75	-	-	-	-	-	-	-	-	-	-	75
	P.D. Agarwal Foundation	-	-	21	-	-	-	-	-	-	-	-	-	-	21
	TCI Telenet Solutions Pvt Ltd	-	-	-	16	-	-	-	-	-	-	-	-	-	16
	Gati Limited	-	-	-	-	-	-	412	-	459	-	-	-	412	459
	ABC India Limited	-	1	-	-	-	-	-	-	-	-	-	-	-	1
	Kintentsu World Express (India) Pvt Limited	-	-	-	13	-	-	-	-	-	-	-	-	13	-
	Talentos (India) Pvt Ltd	-	-	34	-	-	-	-	-	-	-	-	-	34	-
	Awashya CCI Logistics Private Limited	-	-	-	-	-	-	-	-	-	101	-	-	101	-
	Allcargo Inland Park Private Limited	-	-	-	-	-	-	-	-	-	120	-	-	120	-
	Comptech Solutions Private Limited	-	-	-	-	-	-	-	-	-	12	-	-	12	-
	Allcargo Logistics Ltd	-	-	-	-	-	-	5	15	-	-	-	-	5	15
		-	1	34	128	13	16	412	15	459	233	-	697	619	
b) Remuneration															
	Mahendra Agarwal	-	152	-	-	-	-	-	-	-	-	-	-	-	152
	Bala Aghoramurthy	122	293	-	-	-	-	-	-	-	-	-	-	122	293
	Pirojshaw A Sarkari	116	-	-	-	-	-	-	-	-	-	-	-	116	-
	Adarsh Hedge	150	87	-	-	-	-	-	-	-	-	-	-	150	87
	Sitting Fees														
	Sheela Bhide	1	3	-	-	-	-	-	-	-	-	-	-	1	3
	R Ramachandran	1	3	-	-	-	-	-	-	-	-	-	-	1	3

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for the Year Ended March 31, 2022

(₹ in lakhs)

Sl. No.	Nature of transactions	Key Managerial Personnel & Relatives		Entities in which Significant Influence Exists		Entities under common influence /control with the company		Ultimate Holding Company		Holding Company		Fellow Subsidiaries		Total	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
	Mohinder Pal Bansal	-	0	-	-	-	-	-	-	-	-	-	-	0	-
	Dinesh Kumar Lal	0	-	-	-	-	-	-	-	-	-	-	-	0	-
	Nilesh Shivji Vikamsey	1	-	-	-	-	-	-	-	-	-	-	-	1	-
	Freight Expenses													391	538
c)	Gati Kausar India Ltd	-	-	-	-	-	-	-	-	-	-	-	18	-	18
	Management Fees														
d)	Gati Limited	-	-	-	-	-	-	-	-	137	150	-	-	137	150
	All Cargo Logistics Ltd	-	-	-	-	-	-	304	102	-	-	-	-	304	102
	Awashya CCI Logistics Private Limited	-	-	-	-	-	-	-	-	-	-	112	-	112	-
	Manpower Expenses													553	252
e)	Gati Academy	-	-	-	-	-	-	-	-	-	-	-	-	-	245
	Other Expenses														245
f)	Awashya CCI Logistics Private Limited	-	-	-	-	-	-	-	-	-	-	1	-	1	-
	Electricity Expenditure													1	-
g)	Solaflex Solar Energy Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	6
															6

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for the Year Ended March 31, 2022

(₹ in lakhs)

Sl. No.	Nature of transactions	Key Managerial Personnel & Relatives		Entities in which Significant Influence Exists		Entities under common influence / control with the company		Ultimate Holding Company		Holding Company		Fellow Subsidiaries		Total	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
(ii) INCOME															
a)	Freight	-	-	-	-	843	656	-	-	-	-	-	-	843	656
	Kintentsu World Express (India) Pvt Limited	-	-	-	-	-	-	-	-	917	1,197	-	-	917	1,197
	Gati Limited	-	-	-	-	-	-	-	-	-	-	23	-	-	23
	Gati Import Export Trading Limited	-	-	-	-	-	-	-	-	-	-	-	15	-	15
	Awashya CCI Logistics Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	0	-
	Allcargo Logistics Park Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	0	-
	Allcargo Logistics Limited	-	-	-	-	-	-	9	4	-	-	-	-	9	4
		-	-	-	-	-	-	-	-	-	-	-	-	1,784	1,880
b)	Warehouse Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Gati Academy	-	-	-	-	-	-	-	-	-	-	-	-	-	2
	TCI Hi-Ways Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	2
	Kintentsu World Express (India) Pvt Limited	-	-	-	-	6	166	-	-	-	-	-	-	6	166
	Gati Import Export Trading Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	3
	Awashya CCI Logistics Private Limited	-	-	-	-	-	-	-	-	-	-	3	-	3	-
	Gati Cargo Express (Shanghai) Co. Ltd	-	-	-	-	-	-	-	-	-	-	59	2	59	2
		-	-	-	-	-	-	-	-	-	-	-	-	68	175
c)	Other Operating Income	-	-	-	-	-	-	-	-	139	153	-	-	139	153
	Gati Limited (Management Fee)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Gati Limited (Others)	-	-	-	-	-	-	-	-	5	1	-	-	5	1
	All Cargo Logistics Ltd (Management fees)	-	-	-	-	-	-	203	-	-	-	-	-	203	-
	Awashya CCI Logistics Private Limited (Management fee)	-	-	-	-	-	-	-	-	-	-	22	-	22	-
		-	-	-	-	-	-	-	-	-	-	-	-	369	154

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for the Year Ended March 31, 2022

(C) Summary of closing balances with related parties:

Si. No.	Nature of transactions	Key Managerial Personnel & Relatives		Entities in which Significant Influence Exists		Entities under common influence / control with the company		Entities having Significant Influence over Company		Ultimate Holding Company		Holding Company		Fellow Subsidiaries		Total	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
(iii) a)	Trade Receivables																
	Kintentsu World Express (India) Pvt Limited	-	-	-	-	196	155	-	-	-	-	-	-	-	-	196	155
	Gati Limited	-	-	-	-	-	-	-	-	-	-	101	77	-	101	77	-
	Gati Import Export Trading Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	154	-	154
	Allcargo Logistics Ltd	-	-	-	-	-	-	-	-	1	3	-	-	-	-	1	3
	Avashya CCI Logistics Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	21	-	21	-
																319	389
b)	Other Receivables																
	Gati Limited	-	-	-	-	-	-	-	-	-	-	26	101	-	-	26	101
	Gati Kausar India Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	41	-	41
	Gati Import Export Trading Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	6	-	6
	Gati Cargo Express (Shanghai) Co. Ltd	-	-	-	-	-	-	-	-	-	-	-	-	27	-	27	-
																53	148
c)	Deposits Given																
	Talentos (India) Pvt Ltd	-	-	23	-	-	-	-	-	-	-	-	-	-	-	23	-
	Allcargo Inland Park Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	63	-	63	-
	Gati Limited	-	-	-	-	-	-	-	-	-	-	140	575	-	-	140	575
																226	575
d)	Sundry Creditors																
	Gati Limited	-	-	-	-	-	-	-	-	-	-	68	80	-	-	68	80
	Gati Kausar India Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1
	Kintentsu World Express (India) Pvt Limited	-	-	-	-	2	-	-	-	-	-	-	-	-	-	2	-
	Avashya CCI Logistics Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	34	-	34	-

(₹ in lakhs)

Notes on Financial Statements

for the Year Ended March 31, 2022

(₹ in lakhs)

Sl. No.	Nature of transactions	Key Managerial Personnel & Relatives		Entities in which Significant Influence Exists		Entities under common influence / control with the company		Entities having Significant Influence over Company		Ultimate Holding Company		Holding Company		Fellow Subsidiaries		Total	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
	Allcargo Inland Park Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	124	-	-	-
	Comptech Solutions Private Limited	-	-	-	-	-	-	-	-	-	-	-	-	11	-	-	-
	Allcargo Logistics Limited	-	-	-	-	-	-	1	127	-	-	-	-	-	-	1	127
e)	Other financial liabilities	-	-	-	-	-	-	-	-	-	-	124	-	-	-	240	208
f)	Corporate Guarantee taken	-	-	-	-	-	-	-	-	-	-	-	125	-	-	124	125

Note :

- This is to confirm that the above transactions are (i) comprehensive and have been reviewed by Internal Auditors of the Company; (ii) in the ordinary course of Business and at arm's length; (iii) in compliance with applicable regulatory / statutory requirements including company's policy on Related party transactions.
- The Management confirms that requisite test to determine the arms length has been done and documented and where required confirmation from the external experts has been obtained for such determination.
- Related Party Transactions for which approval of the Audit Committee has been taken are well within the ambit of Omnibus Approval given by the Audit committee.
- The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given for FY 2021-22.
- The remuneration of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.
- Wherever amounts are "0", the value is less than rupees fifty thousand.

Notes on Financial Statements

for the Year Ended March 31, 2022

50. FINANCIAL PERFORMANCE RATIOS

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

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

Notes :

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

Definitions:

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

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

Notes on Financial Statements

for the Year Ended March 31, 2022

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

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

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

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

51. OTHER STATUTORY INFORMATION

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

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

Notes on Financial Statements

for the Year Ended March 31, 2022

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

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

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

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

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

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

Notes on Financial Statements

for the Year Ended March 31, 2022

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

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

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

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

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

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

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

As per our report of even date

For Singhi & Co.

Chartered Accountants

ICAI Firm Registration No: 302049E

Anurag Singhi

Partner

Membership no: 066274

Place: New Delhi

Date: May 19, 2022

For and on behalf of the Board of Directors

Adarsh Hegde

Chairman & Managing Director

DIN: 00035040

Anish T Mathew

Chief Financial Officer

M. No. 211965

Place: Hyderabad

Date: May 19, 2022

Pirojshaw Sarkari

Chief Executive Officer

T S Maharani

Company Secretary

M No. F8069

If undelivered please return to :



Regd. & Corporate Office :

Gati-Kintetsu Express Private Limited

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

Tel: 040 7120 4284, Fax: 040 2311 2318

e-mail: investor.services@gati.com

CIN: U62200TG2007PTC056311

14th ANNUAL REPORT
2020-21



GATI-KINTETSU EXPRESS PRIVATE LIMITED

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

Corporate Information

BOARD OF DIRECTORS

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

KEY MANAGERIAL PERSONNEL

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

AUDITORS

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

REGISTERED OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENTS

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

BANKERS

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

Notice

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

ORDINARY BUSINESS:

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

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

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

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

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TS Maharani
Company Secretary
Membership No.: 8069

Place: Hyderabad
Date: May 18, 2021

NOTES:

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

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

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

Registered & Corporate Office:

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

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

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

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

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

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

TS Maharani
Company Secretary
Membership No.: 8069

Place: Hyderabad
Date: May 18, 2021

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

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

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

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

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

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

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

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

Item No. 4:

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

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

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

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

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

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

Item No. 5:

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

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

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

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

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

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

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

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

TS Maharani

Company Secretary
Membership No.: 8069

Place: Hyderabad
Date: May 18, 2021

Registered & Corporate Office:

First Floor, Plot No.20, Survey No.12,
Kothaguda, Kondapur, Hyderabad- 500 084
Tel: +91 040-7120 4284, Fax: +91 040-2311 2318

CIN: U62200TG2007PTC056311

Website: www.gatikwe.com

Email: investor.services@gati.com

ANNEXURE TO THE NOTICE

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

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

Directors' Report

Dear Members,

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

1) FINANCIAL HIGHLIGHTS

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

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

2) DIVIDEND

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

3) RESERVES

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

4) EQUITY SHARE CAPITAL

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

5) REVIEW OF OPERATIONS

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

6) BUSINESS PERFORMANCE

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

Express distribution

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

Air freight

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

E-commerce

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

Special services

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

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

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

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

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

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

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

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

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

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

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

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

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

7) CREDIT RATING

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

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

8) FUTURE PROSPECTS

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

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

9) GLOBAL MACROECONOMICS

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

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

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

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

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

10) INDIA OUTLOOK

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

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

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

11) INDIA LOGISTICS SECTOR

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

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

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

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

12) QUALITY

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

13) PROJECT AVVASHYA

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

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

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

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

14) DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

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

During the year under review :

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

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

15) PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

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

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

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

16) DECLARATION ON INDEPENDENT DIRECTORS

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

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

17) BOARD EVALUATION

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

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

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

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

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

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

18) SEPARATE MEETINGS OF THE INDEPENDENT DIRECTORS

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

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

19) PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

20) CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

21) RELATED PARTY TRANSACTIONS (RPT)

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

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

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

22) COMMITTEES OF THE BOARD

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

The Company has three Board-level Committees, namely:

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

23) MEETINGS OF THE BOARD & COMMITTEES

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

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

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

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

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

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

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

24) AUDIT COMMITTEE

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

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

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

25) VIGIL MECHANISM

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

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

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

26) POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

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

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

27) DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

28) EXTRACT OF ANNUAL RETURN

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

29) DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

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

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

30) INTERNAL FINANCIAL CONTROLS

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

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

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

31) GOVERNANCE, COMPLIANCE AND BUSINESS INTEGRITY

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

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

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

32) AUDITORS

a) Statutory Auditors

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

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

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

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

Emphasis of Matter:

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

Board comments:

The excess managerial remuneration paid to the executive Directors for the year ended March 31, 2021 is being placed in the ensuing Annual General Meeting for necessary approvals from the Shareholders. Further in this regard, no adjustments were made to the financial statements.

Internal Financial Control:

Annexure B to the Independent Auditor's report on Internal Financial Control over financial reporting, Auditor qualifications are on the basis of the following:

- a) Contract revenue mapping in Information technology system
- b) Integration between various functional software relating to Sales and expenses with the accounting in software

Board comments:

- a) Regarding contract revenue mapping, the Company has initiated the implementation of Digital contract system.
- b) Regarding Integrating of certain functional software with the accounting software, necessary steps have been taken with.

b) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. Puttapparthi Jagannatham & Co., to undertake the Secretarial Audit of your Company. The Report of the Secretarial Audit is annexed as **Annexure C**. The Secretarial Auditors have given a qualified opinion which is described as below:

The composition of Nomination and Remuneration Committee and Audit Committee of the Company did not satisfy with the provisions of Section 177 and 178 of Companies Act, 2013 w.e.f. 05th December, 2019 post resignation of one of the Independent Director and the

committee was duly re-constituted in compliance with the applicable laws only on October 5, 2020.

Board's Comment:

The Board in its meeting held on October 05, 2020 have appointed Directors and re-constituted the Audit Committee and Nomination & Remuneration Committee in order to meet the requirements of Section 177 and 178 of the Companies Act, 2013.

33) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The above information as required under the Companies Act, 2013, is annexed as **Annexure D**.

34) HUMAN RESOURCES

HR strategy has an integral role to play in the success of the Organization's Vision. This has been a non-wavering principle for attracting talent, building requisite capabilities and skills, motivating, developing, assessing at regular intervals across levels and retaining talent to help Gati master the dynamic market challenges and make the most of opportunities available for leveraging as well strengthening the brand and stakeholder value.

Your Company strongly believes that human capital is integral and enables the success of the Organization through nurturing talent and facilitating growth internally in terms of providing higher responsibilities and lateral role changes thus providing job enrichment to Gati'ites.

The entire framework of employee facing processes and systems has been designed, in line with the Company's strategic plans, to offer a positive and delightful employee experience with the HR team focusing on the most critical aspects of human connect spanning the entire employee life cycle such as quality Talent Acquisition, Performance Management, Employee engagement, Talent & Succession Management, Learning & Development, Assessments and Development and Employee communication.

Investing in our employees continues to be paramount to ensure success of employees and the Organization on a continual basis by way of encouraging our people to grow in multiple dimensions and enabling them to achieve success professionally and personally. Lasting satisfaction is about combining the intellectual, emotional, personal and social well-being of our employees.

Our L&D framework is designed to fuel future ready resources through structured 'Capability Development' initiatives based on a highly scientific approach, aiming at creating domain expertise and Leadership capabilities across levels and functions. We had been regularly initiating various learning interventions to meet talent

requirement across various levels and functions and have further strengthened our learning framework comprising GTRN (Graduate Trainee) Program, BDET (Business Development Executive Trainee) Program, byte-sized customized chunks of continuous animated learning capsules in line with ever-changing market dynamics and employee training needs and PDW (Professional Development Workshop series) Program for Associates and Executives; AMTR (Assistant Manager Trainee) Program for assessing and developing the right Front-line Managers with the Framework being named as Discovering the Manager in You; Beyond Managing to Leading, a structured Leadership Development Framework for our Mid-Management level, Coaching on Leadership for Senior Leaders and several such domain-specific and behavioral interventions. We have a diverse talent base of 3500 high-calibre Gati'ites of which Gen Y comprises 65% of workforce. Our online, classroom-based and blended training interventions covered all 3500 Gati'ites ensuring minimum 3 man days of training for everyone.

We continuously strive to be transparent and objective in our people processes. Through the annual employee engagement survey, a number of key focus areas were identified and many Gati'ites were invited and consulted to create action plans to address areas of concerns. We encourage debate and open dialogue on various processes directly impacting Gati'ites which helps us to develop and improvise our people strategy for future. This has resulted in significant improvement in Employee Engagement score vis-à-vis last year and GATI is now a coveted Great Place to Work for the second consecutive year in the midst of the pandemic.

Our people practices have received recognition at different forums enabling healthy and professional working environment at all levels, ensuring free flow of ideas and information through a unified organisation structure and defined processes. Our affirmative actions include actively hiring women candidates, support hiring of differently abled and other unique CSR initiatives that touch more than 10000 lives.

35) GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the financial year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise;

2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme;
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;
4. During the period under review, none of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143 (12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force);
5. The Company has complied with Secretarial Standards, i.e. SS-1 and SS-2, relating to Meetings of the Board of Directors and General Meetings, issued by the Institute of Company Secretaries of India;
6. There were no material changes commitments affecting the financial position of the Company between the end of financial year (March 31, 2021) and the date of the report (May 18, 2021);
7. During the year under review, your Company did not accept any public deposits;
8. The company does not have any subsidiaries, joint venture or associate companies;
9. Company is not required to maintain cost records under Section 148(1) of the Companies Act, 2013.

ACKNOWLEDGEMENT

Your Directors thank various departments of Central and State Government, Organizations and Agencies for the continued help and co-operation extended by them to your company. Your Directors also gratefully acknowledge all stakeholders of the Company viz. members, customers, dealers, vendors, Financial Institutions, banks and other business partners for the excellent support received from them during the year. Your Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board

Adarsh Hegde

Place: Hyderabad
Date: May 18, 2021

Chairman and Managing Director
DIN: 00035040

Annexure – A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FY 2020-21

1.	A brief outline of the Company's CSR policy.	Gati-KWE strives to be a socially responsible corporate by fulfilling its responsibilities as a member of the society and community, thereby creating a positive impact to the stakeholders with a concern towards the environment. The programs include Education, Community, Environment Sustainability and Rural Development Projects & Donations.				
2.	The Composition of the CSR Committee					
		S. No.	Designation and Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year	
		1	Mr. Kazuhisa Kawamura Chairman-Nominee Director	2	2	
		2	Ms. Sheela Bhide Member – Non Executive Independent Director	2	2	
		3	Mr. Balasubramanian Aghoramurthy Member- Deputy Managing Director	2	2	
3.	Weblink for Composition of CSR Committee, CSR Policy and approved CSR Projects	CSR Policy: https://www.gatikwe.com/wp-content/uploads/2018/07/Gati-KWE-CSR-Policy.pdf CSR Projects: https://www.gati.com/csr/				
4.	Impact Assessment of CSR Projects Carried out, if any	During the Financial Year, no Impact assessment was carried out by the company as the average CSR Obligation is not more than ₹10 crore or more in 3 preceding Financial years.				
5.	Excess CSR Amount available for set off during the year	NIL				
6.	Average net profit of the Company for last three financial years for the purpose of computation of CSR	₹ 23,31,63,326/-				
7.	(a) Two percent of average Net Profit as per Sec 135(5)	₹ 46,63,267/-				
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	NIL				
	(c) Amount required to be set off for the financial year, if any	NIL				
	(d) Total CSR Obligation for FY 2020-21	₹ 46,63,267/-				
8.	(a) Details of CSR amount spent or unspent during the financial		Amount Unspent (in ₹)			
		Total Amount Spent for the Financial Year (in ₹)	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)	
			Amount	Date of Transfer	Amount	Date of transfer
		46,63,267/-	Nil	NA	Nil	NA
	(b) Amount spent against ongoing projects for the FY 2020-21	NIL				
	(c) Amount spent against other than ongoing projects for the FY 2020-21	Please find the Table A attached hereunder				
	(d) Amount spent on administrative overheads	NIL				

(e) Amount spent on Impact Assessment, if applicable	NIL
(f) Total amount spent for FY2020-21	₹46,63,267/-
(g) Excess amount for set off, if any	NIL
9. (a) Details of Unspent CSR amount for the preceding three financial years.	NIL and no provision created in the books of accounts
(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s).	NIL
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year	NIL
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).	The company has duly spent the two percent of the average net profit as per Section 135(5) on CSR during the FY 2020-21.

Table A-Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	Mode of implementation - Through implementing agency	
S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project State District	Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Name	CSR Reg. No.
1	Abirami	Education	No	Nagore, Nagapattinam, Tamil Nadu	10,000	Direct		NA
2	Badrinarayan Chandak	Covid relief	Yes	Hyderabad, Telangana	1,68,000	Direct		NA
3	Foundation Of His Sacred Majesty	Health	Yes	Hyderabad, Telangana	22,78,133	Direct		NA
4	Helping Hand Foundation	Covid relief	Yes	Hyderabad, Telangana	5,00,000	Direct		NA
5	MD Nishak	Weaver community development	No	Rajouli, Nawada, Bihar	72,000	Direct		NA
6	Paramhams Bhagathlall	Education	Yes	Hyderabad, Telangana	15,000	Direct		NA
7	Seva Bharathi	Covid relief	Yes	Hyderabad, Telangana	1,26,315	Direct		NA
8	Reppalle Giddanna	Weaver community development	No	Rajouli, Nawada, Bihar	42,000	Direct		NA
9	Gati Government High School and Zilla Parishad High School	Education	Yes	Hyderabad, Telangana	12,51,819	Direct		NA
10	Seva Bharathi - Run For Girl Child	Women empowerment	Yes	Hyderabad, Telangana	2,00,000	Direct		NA
TOTAL					46,63,267			

Adarsh Hegde

Chairman and Managing Director
DIN: 00035040

Kazuhisa Kawamura

Chairman, CSR Committee
DIN: 03487832

Place: Hyderabad
Date: May 18, 2021

Annexure – B

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2021

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	:	U62200TG2007PTC056311
ii)	Registration Date	:	November 14, 2007
iii)	Name of the Company	:	Gati-Kintetsu Express Private Limited
iv)	Category / Sub-Category of the Company	:	Company limited by shares, Indian Non-Government Company.
v)	Address of the Registered Office and Contact details	:	First Floor, Plot No. 20, Sy. 12, Kothaguda, Kondapur, Hyderabad - 500 084. Tel. No. 040 – 71204284, Fax No. 040-2311 2318 Email id: investor.services@gati.com Website: www.gatikwe.com
vi)	Whether listed Company	:	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Link Intime India Private Limited C -101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Maharashtra Contact No.: 18003454001

II. PRINCIPLE BUSINESS ACTIVITY OF THE COMPANY

S. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1)	Cargo handling incidental to land & air transport	52241, 52243	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1)	Gati Ltd., Plot No.20, Sy. No.12, Kothaguda, Kondapur, Hyderabad-500084.	L63011TG1995PLC020121	Holding	70	2(46)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise shareholding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A Promoters									
(1) Indian									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	3,50,000	3,50,000	70.00	-	3,50,000	3,50,000	70.00	-

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other (Trusts)	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	-	3,50,000	3,50,000	70.00	-	3,50,000	3,50,000	70.00	-
(2) Foreign									
a) NRI - Individual	-	-	-	-	-	-	-	-	-
b) Other - Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoter (A) = (A)(1) + (A)(2)	-	3,50,000	3,50,000	70.00	-	3,50,000	3,50,000	70.00	-
B Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)	-	-	-	-	-	-	-	-	-
(2) Non-Institutional									
a) Bodies Corporate									
i) Indian	-	20,000	20,000	4.00	-	20,000	20,000	4.00	-
ii) Overseas	-	1,30,000	1,30,000	26.00	-	1,30,000	1,30,000	26.00	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	-	1,50,000	1,50,000	30.00	-	1,50,000	1,50,000	30.00	-
Total Public shareholding (B) = (B)(1) + (B)(2)	-	1,50,000	1,50,000	30.00	-	1,50,000	1,50,000	30.00	-
C Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	5,00,000	5,00,000	100.00	-	5,00,000	5,00,000	100.00	-

ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the Company	% of shares pledged / encumbered to the total shares	
Gati Limited	3,50,000	70.00	-	3,50,000	70.00	-	-
Total	3,50,000	70.00	-	3,50,000	70.00	-	-

iii) Change in Promoter's Shareholding (please specify if there is no change)

There is no change in the Promoter Shareholding during the financial year 2020-21.

iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date wise increase / (decrease) in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)			Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Date	No. of shares	Nature	No. of shares	% of total shares of the Company
1	KWE-Kintetsu World Express (S) Pte Ltd.	1,30,000	26.00	-	-	-	1,30,000	26.00
2	Kintetsu World Express (India) Pvt Ltd.	20,000	4.00	-	-	-	20,000	4.00

v) Shareholding of Directors and Key Managerial Personnel

S. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Date wise increase / (decrease) in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)			Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Date	No. of shares	Nature	No. of shares	% of total shares of the Company
None of the Directors and Key Managerial Personnel hold any shares in the Company.								

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans*	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial Year				
i) Principal Amount	20,682	5,602	-	26,284
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	55	-	-	55
Total (i+ii+iii)	20,737	5,602	-	26,339
Change in Indebtedness during the financial year*				
Addition	2,708	456	-	3,164
Reduction	(6,782)	(856)	-	(7,638)
Net Change	(4,074)	(400)	-	(4,474)
Indebtedness at the end of the financial Year				
i) Principal Amount	16,608	5,202	-	21,810
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	19	-	-	19
Total (i+ii+iii)	16,627	5,202	-	21,829

*The above includes lease liability of ₹ 5,202 lakhs.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration of Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

S. No.	Particulars of Remuneration	Mr. Mahendra Agarwal, Ex-Chairman and Managing Director#	Mr. Bala Aghoramurthy, Dy. Managing Director	Mr. Adarsh Hegde, Chairman and Managing Director*	Total
1	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	118.75	264.99	79.50	463.24
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961.	13.34	6.09	-	19.43
	c) Profit in lieu of salary 17(3) of the Income Tax Act, 1961.	-	-	-	-
2	Stock Option (no. of options)	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as a % of profit - others, specify	-	-	-	-
5	Others (Car and other related expenses, Insurance, Club, etc. and retiral benefits)	19.43	22.04	7.04	48.51
	Total (A)	151.52	293.12	86.54	531.18
	Ceiling as per the Act	120.62	121.42	121.42	

*Mr. Adarsh Hegde has been appointed as the Chairman and Managing Director of the Company w.e.f October 05, 2020.

Mr. Mahendra Agarwal has resigned as the Chairman and Managing Director of the Company w.e.f September 28, 2020.

B. Remuneration to other Directors

(₹ in Lakhs)

S no	Particulars of Remuneration	Name of the Directors					Total
		Sheela Bhide	R. Ramachandran	Kok Seng Tan	MP Bansal*	Kazuhisa Kawamura	
1	Independent Directors						
	Fee for attending board / committee meetings	2.5	2.5	-	0.45	-	5.45
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	2.5	2.5	-	0.45	-	5.45
2	Other Non-Executive Directors						
	Fee for attending board / committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total B = (1+2)	2.5	2.5	-	0.45	-	5.45
	Total Managerial Remuneration						-
	Ceiling as per the Act						

*Mr. MP Bansal was appointed as a Director w.e.f October 05, 2020 and resigned w.e.f March 04, 2021.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

S. No	Particulars of Remuneration	Rohan Mittal, Chief Financial Officer*	TS Maharani, Company Secretary
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17 (2) Income tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option (nos.)	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profits	-	-
	- others, specify	-	-
5	Others, please specify – (Gratuity, Provident & Superannuation funds)	-	-
	Total	-	-

* Mr. Rohan Mittal was appointed as the Chief Financial Officer of the Company w.e.f November 02, 2020.

D. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no penalties, Punishment or Compounding of offences during the year ended March 31, 2021.

Annexure – C

FORM NO. MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT

For the Financial Year Ending 31st March 2021

To
The Members,
Gati-Kintetsu Express Private Limited
Hyderabad.

We have conducted the Secretarial Audit pursuant to Section 204 of the Companies Act, 2013, on the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Gati-Kintetsu Express Private Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Corporate Conducts/Statutory Compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iii) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') shall not apply to the Company being an unlisted company

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to the Board and General Meeting.
- (ii) Other Specifically applicable laws to the Company in respect of which we relied on the Internal Audit report and noted relevant compliances and observations made by the Internal Auditor:
 - (a) Carriage of Goods by Road Act, 2007
 - (b) Carriage of Goods by Air Act, 1972
 - (c) Carriage of Goods by Sea Act, 1925
 - (d) Motor Transport Workers Act, 1961
 - (e) Motor Vehicles Act, 1988
 - (f) Fatal Accidents Act, 1855
 - (g) The Factories Act, 1948
 - (h) Multimodal Transportation of Goods Act, 1993
 - (i) Railway Act, 1989
 - (j) The Air (Prevention and Control of Pollution) Act, 1981
 - (k) The Water (Prevention and Control of Pollution) Act, 1974
 - (l) Control of National Highways (Land and Traffic) Act, 2002

We further report that

- (i) based on the information provided by the Company, its officers and its authorised representatives during the conduct of the audit and also on review of quarterly reports by respective Department Heads/Company Secretary/ Directors taken on record by the Board of Directors of the Company, adequate systems and processes and control mechanism exist in the company to monitor and ensure the compliance of with the applicable general laws like labour laws, competition law and environment laws.

- (ii) the Compliance by the Company of applicable financial laws like direct and indirect laws has not been reviewed in this Audit since the same have been subject to review by Statutory Financial Audit and Other designated professionals.
- (iii) the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- (iv) adequate notice is given to all Directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent electronically well in advance or shorter consent were taken in other cases, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (v) all the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that,

- ***The composition of Nomination and Remuneration Committee and Audit Committee of the Company did***

not satisfy with the provisions of Section 177 and 178 of Companies Act, 2013 w.e.f. 05th December, 2019 post resignation of one of the Independent Director and the committee was duly re-constituted in compliance with the applicable laws only on October 5, 2020.

We further report that

- (i) there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- (ii) there were no specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs except as reported in the Financial Audit Report:

For **Puttaparthi Jagannatham & Co.**

Navajyoth Puttaparthi
Practicing Company Secretary
COP No: 16041
FCS NO: 9896

Place: Hyderabad
Date: 18th May, 2021
UDIN: F009896C000341865

*This report is to be read with our letter with given date which is annexed as '**Annexure A**' and forms an integral part of this report.

'ANNEXURE A'

To
The Members,
Gati-Kintetsu Express Private Limited
Hyderabad.

Our report with given date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Puttaparthi Jagannatham & Co.**

Navajyoth Puttaparthi
Practicing Company Secretary
COP No: 16041
FCS NO: 9896

Place: Hyderabad
Date: 18th May, 2021
UDIN: F009896C000341865

Annexure – D

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO [SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014]

A) CONSERVATION OF ENERGY:

Your Company continues to be conscious of the environmental impact of our business and continues to improve on its fuel efficiency through various initiatives in this area.

Further, the following measures are implemented continuously by the Company:

1. Vehicles were purchased in compliance with all latest regulations relating to pollution control and Bharat Stage (Euro) norms i.e. BS IV models.
2. Introduced Electric and CNG based vehicles for Last mile delivery
3. The strict periodical maintenance of Company's vehicles is done as per manufacturer's prescribed norms to ensure optimum fuel consumption & better vehicle maintenance.
4. Vehicles greater than five years old are being phased out and replaced with new standard BS model vehicles.
5. Drivers' training programs are being organized and conducted periodically to improve their driving skills, safe driving, better vehicle maintenance and improved fuel efficiency of vehicle.
6. Providing DIP i.e., Drivers Information Package which would educate them about Do's and Don'ts, RIC (Route Information card) and also Driver briefing session conducted regularly before departing the

vehicle & monitoring through Vehicle Tracking System

7. A centralized Operations Command Center (OCC) has been built to provide support to vehicles and drivers 24/7, 365 days.

B) TECHNOLOGY ABSORPTION:

During the financial year 2020-21, Gati IT launched 2 major customer centric projects **Whatsapp (Chatbot) and Revamped Customer Portal**.

Whatsapp (Chatbot): It is called **Genie** and it supports customers with useful features like -Shipment Tracking, Rate and Transit finder, Pickup Registration, Complaints and Feedback.

Customer Portal: The Company has revamped its customer portal for a better user experience and many enhanced features and facility for customers have been incorporated such as Shipment preparation / Upload, Pickup registration, Complaint registration, complete visibility around shipment status and Service Performance Report (SPR), Invoices, Proof of delivery downloads etc.

As another important milestone, the Company has selected Salesforce as its CRM for Sales and Customer Service functions and is in the process of implementing the same. The CRM rollout would go live by September'21.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

The company did not have any Foreign exchange earnings and outgo during the year 2020-21.

Independent Auditor's Report

To the Members of Gati Kintetsu Express Private Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Gati Kintetsu Express Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw your attention to:

1. Note to 44(a) the financial statements, which states that managerial remuneration paid to two executive directors of the Company (including one executive director resigned in September 2020) for the year ended March 31, 2021 has exceeded the limit prescribed under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 275 lakhs. Pending necessary approvals for the excess remuneration from members of the company, no adjustment to the financial statements has been made.
2. Note 48 of the financial statement, which describes the extent to which Covid 19 pandemic will impact company's result which depend on the future developments that are highly uncertain.

Our opinion is not qualified in respect of the above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the 'Basis of Opinion' section above, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Sr. No. Key Audit Matter	How our audit addressed the key audit matters
<p>1 Impairment of Goodwill (See Note 5 to the financial statements)</p> <p>The Company holds goodwill of ₹ 12,506 lakhs on the statements of financial position.</p> <p>The determination of the recoverable amount of goodwill is a key judgment area as small changes in assumptions made, notably in respect of the future performance of the business and the discount rates applied to future cash flows projections can result in material different outcomes.</p>	<p>Our audit with respect to impairment testing of goodwill included the following:</p> <ul style="list-style-type: none"> • Engaging internal fair valuation experts to challenge management's underlying assumptions and appropriateness of the valuation model used. • Comparing the Company's assumptions with comparable benchmarks in relation to key inputs such as long-term growth rates and discount rates. • Assessing the appropriateness of the forecasted cash flows within the budgeted period based on their understanding of the business and sector experience.
<p>2 Recoverability of Trade Receivable (See Note 12 to the financial statements)</p> <p>The gross balance of trade receivables as at March 31, 2021 amounted to ₹ 21,443 lakhs.</p> <p>Due to the inherent subjectivity that is involved in making judgments in relation to credit risk exposures to determine the recoverability of trade receivables, it is considered a key audit matter.</p>	<p>Our audit with respect to determining recoverability of Trade Receivables included the following:</p> <ul style="list-style-type: none"> • Evaluating the Company's processes and controls relating to the monitoring of trade receivables and review of credit risks of customers. • Examination of management's assessment of the credit review procedures of trade receivables, obtaining trade receivable confirmations, and mapping receipts from the trade receivables after the year end on test basis. • Evaluation of management's assumptions used to determine the expected credit loss on the trade receivables, through detailed analyses of ageing of receivables to historical patterns of receipts, assessment of material overdue individual trade receivables and risks specific to the trade receivable.
<p>3 Reasonableness of carrying amount of Assets held for sale (See Note 17 to the financial statements)</p> <p>The Company has classified assets earmarked for disposal as Assets held for sales. Assets held for sales carried at fair value have been estimated using significant unobservable input including non-binding offers from and negotiation held with prospective buyers as a result of which fair value is sensitive to change in input assumption.</p>	<p>Our audit with respect to determining carrying value of Assets held for sales included the following:</p> <ul style="list-style-type: none"> • Evaluating the Company's processes and controls relating to the classification and valuation of assets held for sale • Examination of management's assessment of expectation of outcome of negotiation with prospective buyer. • Review of independent valuation report of independent external valuer

Information Other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge

obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133

of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal

financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143 (3) of the Act, based on our Audit, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the relevant rules thereon.
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act
 - (f) With respect to the adequacy of the internal financial controls over financial reporting with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" of this report.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the

requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act except managerial remuneration paid to two executive directors of the Company (including one executive director resigned in September 2020) which is in excess of the limit prescribed under Schedule V of the Companies Act, 2013 by ₹ 275 Lakhs for the financial year 2020-21, which is subject to the approval of shareholders in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Note 37(i) and 45 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to investor education and protection fund by the company.

For Singhi & Co.

Chartered Accountants
Firm's Registration No. 302049E

(Anurag Singhi)

Partner

Date: May 18, 2021

Place: Kolkata

Membership No. 066274

UDIN: 21066274AAAABD6594

Annexure – A to the Independent Auditor’s Report

(Referred to in paragraph 1 under the heading ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

We report that:

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- b) As per the information and explanations given to us, physical verification of property, plant and equipment have been carried out in terms of the phased program of its verification adopted by the Company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to size of the Company and nature of its business.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as disclosed in Note 4(a) on Property Plant and Equipment to the financial statements, are held in the name of the Company, except in respect of one Building (Located at Pune) having gross block of ₹ 194.5 lakhs and net block of ₹ 160.46 lakhs, the title deeds of which are held in the name of erstwhile companies, which were acquired from the Holding Company under a Business Transfer Agreement in the financial year 2011 - 12.
- ii. The company is a service company and has no inventory, accordingly, the provisions of clause 3(ii) of the Order, 2016 are not applicable.
- iii. According to the information and explanations given to us and audit procedure performed by us the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3(iii), 3(iii) (a) to 3(iii) (c) of the said Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments made and providing guarantees and securities.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits covered under sections 73 to 76 of the Companies Act and the rules framed there under with regard to deposits accepted from the public during the year. Accordingly, paragraph 3(v) of the order is not applicable.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the company examined by us, except for dues in respect of professional tax and provident fund, the company is generally regular in depositing undisputed statutory dues, including Employees’ State Insurance, Income-tax, Goods and Services Tax, duty of customs, cess and other material statutory dues, as applicable, to the appropriate authorities.

There are no arrears in respect of the aforesaid dues as at March 31, 2021 for a period of more than six months from the date they became payable except professional tax of ₹ 0.16 lakhs and provident fund of ₹ 0.52 lakhs which are due for more than 6 months.
- b) According to the information and explanations given to us, and the records of the Company examined by us, there are no dues of goods and service tax, duty of customs, duty of excise, service tax and value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax and sales tax, as at March 31, 2021 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of Dues	Amount in lakhs (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	391.41	2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19	Income Tax Appellate Tribunal, Commissioner (Appeals)
Indirect Tax	Sales tax	322.6	2013-14, 2014-15, 2015-16, 2016-17, 2017-18	Assistant Comm, Commercial Tax, Mobile Squad Unit-4 Commercial Tax Mathura

- viii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank or Government. The Company had neither any outstanding debenture at the beginning of the year nor has it issued any debenture during the year.
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanation given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act except managerial remuneration paid to two executive directors of the Company (including one executive director resigned in September 2020) for the year which is in excess of the limit prescribed under Schedule V of the Companies Act, 2013 by ₹ 275 lakhs for the financial year 2020-21, which is subject to the approval of shareholders in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the order is not applicable to the company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the order is not applicable to the company.

For Singhi & Co.

Chartered Accountants
Firm's Registration No. 302049E

(Anurag Singhi)

Partner

Membership No. 066274
UDIN: 21066274AAAABD6594

Date: May 18, 2021

Place: Kolkata

Annexure – B to the Independent Auditor’s Report

(Referred to in paragraph 2 (f) under the heading ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)

We have audited the internal financial controls with reference to financial statements of Gati Kintetsu Express Private Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the ‘Guidance Note’) and the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls over financial

reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company’s internal financial controls with reference to these financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company’s internal financial control with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

BASIS OF QUALIFIED OPINION

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2021:

- a. The company's internal financial control related to contract revenue mapping in the Information technology system is not operating effectively and resulting in inadequate control over these processes. Management has represented that the remediation plan and necessary implementation steps have been taken.
- b. The company did not have an effective integration between various functional software relating to sales and expenses with the accounting software resulting in weak internal control and reconciliation differences in Control Accounts in areas of trade receivables, trade payables, security deposits and operational advances.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

QUALIFIED OPINION

In our opinion, except for the possible effects of the material weakness described in the 'Basis of Qualified Opinion' section above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2021 financial statements of the Company, and the material weakness does not affect our opinion on the financial statements of the Company.

For Singhi & Co.

Chartered Accountants
Firm's Registration No. 302049E

(Anurag Singhi)

Partner

Membership No. 066274

UDIN: 21066274AAAABD6594

Date: May 18, 2021
Place: Kolkata

Balance Sheet

as at March 31, 2021

(₹ in lakhs)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
NON CURRENT ASSETS			
Property, Plant and Equipment	4A	7,646	21,054
Right-of-use Asset	4B	5,460	6,428
Goodwill	5	12,506	12,506
Other Intangible Assets	6	549	345
Intangible Assets under Development	7	-	207
Financial Assets			
Loans	8	449	465
Deferred Tax Assets (Net)	9	2,423	623
Non Current Tax Asset (Net)	10	7,596	7,669
Other Non-Current Assets	11	51	66
		36,680	49,363
CURRENT ASSETS			
Financial Assets			
Loans	8	2,581	2,841
Trade Receivables	12	18,441	20,240
Cash and Cash Equivalents	13	3,014	1,913
Bank Balances other than above	14	1,082	928
Other Financial Assets	15	310	896
Other Current Assets	16	3,083	1,553
Assets Classified - Held For Sale	17	7,470	-
		35,981	28,371
TOTAL ASSETS		72,661	77,734
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	18	50	50
Other Equity	19	29,889	34,501
TOTAL EQUITY		29,939	34,551
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	20	1,113	4,695
Lease Liabilities	21	4,942	5,806
Provisions	22	1,064	754
		7,119	11,255
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	23	14,265	12,496
Lease Liabilities	21	1,122	960
Trade Payables	24		
(a) Total outstanding dues of Micro and Small Enterprises		343	110
(b) Total outstanding dues of creditors other than Micro and Small Enterprises		7,950	8,618
Other Financial Liabilities	25	6,466	6,237
Other Current Liabilities	26	5,080	3,331
Provisions	27	377	176
		35,603	31,928
TOTAL LIABILITIES		42,722	43,183
TOTAL EQUITY AND LIABILITIES		72,661	77,734

Significant accounting policies and key accounting estimates and judgements 3

The accompanying significant accounting policies and notes form an integral part of the Financial Statements

As per our report of even date

For Singhi & Co.

Chartered Accountants
ICAI Firm Registration No: 302049E

Anurag Singhi

Partner
Membership no: 066274

Place: Kolkata
Date: May 18, 2021

For and on behalf of the Board of Directors

Adarsh Hegde

Chairman & Managing Director
DIN: 00035040

Rohan Mittal

Chief Financial Officer

Place: Hyderabad
Date: May 18, 2021

T S Maharani

Company Secretary
M No. F8069

Statement of Profit and Loss

for the year ended March 31, 2021

Particulars	Notes	(₹ in lakhs)	
		Year ended March 31, 2021	Year ended March 31, 2020
(I) INCOME			
Revenue from Operations	28	1,01,185	1,15,943
Other Income	29	496	460
TOTAL INCOME (I)		1,01,681	1,16,403
(II) EXPENSES			
Operating Expenses	30	70,150	81,256
Employee Benefits Expense	31	15,084	15,480
Finance Costs	32	2,582	2,892
Depreciation and Amortization Expense	33	3,136	3,244
Other Expenses	34	12,662	14,384
TOTAL EXPENSES (II)		1,03,614	1,17,256
(III) PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)		(1,933)	(853)
(IV) Exceptional Items	35	4,151	-
(V) PROFIT/(LOSS) BEFORE TAX (III-IV)		(6,084)	(853)
(VI) TAX EXPENSES	36		
Current Tax		-	117
Deferred Tax		(1,718)	(192)
TOTAL TAX EXPENSES		(1,718)	(75)
(VII) PROFIT/(LOSS) FOR THE YEAR (V-VI)		(4,366)	(778)
(VIII) OTHER COMPREHENSIVE INCOME (OCI)			
Items not to be reclassified to profit or loss in subsequent periods:			
a) Re-Measurement gains/(losses) on defined benefit plans		(329)	(106)
b) Income tax effect on above item		83	27
OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX)		(246)	(79)
(IX) TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VIII+VII)		(4,612)	(857)
EARNINGS PER EQUITY SHARE	43.		
[Nominal value per share ₹ 10/- (March 31, 2020: ₹ 10/-)]			
Basic (in ₹)		(873.23)	(155.50)
Diluted (in ₹)		(873.23)	(155.50)

Significant accounting policies and key accounting estimates and judgements 3

The accompanying significant accounting policies and notes form an integral part of the Financial Statements

As per our report of even date

For Singhi & Co.

Chartered Accountants
ICAI Firm Registration No: 302049E

Anurag Singhi

Partner
Membership no: 066274

Place: Kolkata

Date: May 18, 2021

For and on behalf of the Board of Directors

Adarsh Hegde

Chairman & Managing Director
DIN: 00035040

Rohan Mittal

Chief Financial Officer

Place: Hyderabad

Date: May 18, 2021

T S Maharani

Company Secretary
M No. F8069

Cash Flow Statement

for the year ended March 31, 2021

(₹ in lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(A) Cash flows from Operating Activities		
Profit/(Loss) Before Taxes and after exceptional items as per Statement of Profit and Loss	(6,084)	(853)
Adjustment for:		
Depreciation & Amortization expense	3136	3,244
Finance costs	2582	2,892
Loss on disposal of Property, Plant and Equipment(Net)	4225	36
Interest Income from deposits with Bank	(70)	(111)
Interest Income from unwinding of financial assets	-	(68)
Interest on Income tax refund	(277)	-
Allowance for Doubtful receivable	747	848
Allowance for other financial assets	219	219
Bad debts and irrecoverable balances written off	102	525
Allowance for Doubtful receivables - written back	(11)	(76)
Liabilities no longer required - written back	(99)	(230)
Operating profits before working capital changes	4470	6,426
(Increase) / Decrease in Trade Receivables	1,063	1,176
(Increase) / Decrease in Other Current Assets	(1,851)	385
(Increase) / Decrease in Other Current Financial Assets	862	(701)
(Increase) / Decrease in Other Non-Current Assets	30	583
Increase / (Decrease) in Other current Liabilities	1,749	463
Increase / (Decrease) in Trade Payables	(336)	(1,917)
Increase / (Decrease) in Short Term Provisions	202	(28)
Increase / (Decrease) in Other Current Financial Liabilities	2,188	152
Increase / (Decrease) in Non Current Provisions	(19)	(91)
Cash generated from operations	8,358	6,448
Direct Tax paid (net of refunds)	350	(2,423)
Net Cash Flows generated/(used) from Operating Activities	8,708	4,025
(B) Cash Flow from Investing Activities		
Interest Received	70	111
Proceeds from sale of Property Plant and Equipment	184	144
Proceeds from sale of Asset held for sale	278	-
Purchase of Property Plant and Equipment including Capital work in Progress and Capital Advances	(657)	(2,874)
Investment in Bank Fixed Deposits	(154)	92
Net Cash Flows (used in)/generated from Investing Activities	(279)	(2,527)
(C) Cash Flow from Financing Activities		
Proceeds of Long Term Borrowings	939	3,901
Repayment of Long Term Borrowings	(6,480)	(1,376)
Increase / (Decrease) in Short term Borrowings (net)	1,769	2,776
Finance cost	(1,788)	(2,046)
Payment of interest on lease liabilities	(794)	(846)
Payment of principal portion of lease liabilities	(974)	(801)
Dividend Paid including tax	-	(1,302)
Net Cash Flows (used in)/generated from Financing Activities	(7,328)	306
Net Increase / (Decrease) in cash and cash equivalents (A + B + C)	1,101	1,804
Cash and Cash equivalents at the beginning of the year	1,913	109
Cash and Cash equivalents at the end of the year	3,014	1,913

Cash Flow Statement

for the year ended March 31, 2021

Notes:

- The above Statement of Cash Flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.
- Component of Cash & Cash Equivalents:

Particulars	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Cash on Hand	20	40
Balances with Banks in Current Accounts	2,994	1,873
Cash & Cash Equivalent as per Balance sheet (refer note no 13)	3,014	1,913

Debt Reconciliation Statement in accordance with Ind AS 7

Particulars	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Opening Balances		
Non Current Borrowings	4,695	4,280
Movement		
Non Current Borrowings	(3,582)	415
Closing Balances		
Non Current Borrowings	1,113	4,695

Significant accounting policies and key accounting estimates and judgements 3

The accompanying significant accounting policies and notes form an integral part of the Financial Statements

As per our report of even date

For Singhi & Co.

Chartered Accountants
ICAI Firm Registration No: 302049E

Anurag Singhi

Partner
Membership no: 066274

Place: Kolkata

Date: May 18, 2021

For and on behalf of the Board of Directors

Adarsh Hegde

Chairman & Managing Director
DIN: 00035040

Rohan Mittal

Chief Financial Officer

Place: Hyderabad

Date: May 18, 2021

T S Maharani

Company Secretary
M No. F8069

Statement of Changes in Equity

for the year ended March 31, 2021

A) EQUITY SHARE CAPITAL

Particulars	No. of Shares	(₹ in lakhs)
		Amount
Balance as at March 31, 2019	5,00,000	50
Add/(Less): Changes in Equity Share Capital for the year ended March 31, 2020	-	-
Balance as at March 31, 2020	5,00,000	50
Add/(Less): Changes in Equity Share Capital for the year ended March 31, 2021	-	-
Balance as at March 31, 2021	5,00,000	50

B) OTHER EQUITY

Particulars	Reserves and Surplus			Total
	Securities Premium	General Reserve	Retained Earnings	
Balance as at March 31, 2019	17,836	1,720	17,104	36,660
Profit/(Loss) for the year	-	-	(778)	(778)
Final dividend on equity shares	-	-	(1,080)	(1,080)
Tax on dividend on equity shares	-	-	(222)	(222)
Remeasurement gain/(loss) (net of deferred tax)	-	-	(79)	(79)
Balance as at March 31, 2020	17,836	1,720	14,945	34,501
Profit/(Loss) for the year	-	-	(4,366)	(4,366)
Remeasurement gain/(loss) (net of deferred tax)	-	-	(246)	(246)
Balance as at March 31, 2021	17,836	1,720	10,333	29,889

The accompanying significant accounting policies and notes form an integral part of the Financial Statements

As per our report of even date

For Singhi & Co.

Chartered Accountants
ICAI Firm Registration No: 302049E

Anurag Singhi

Partner
Membership no: 066274

Place: Kolkata
Date: May 18, 2021

For and on behalf of the Board of Directors

Adarsh Hegde

Chairman & Managing Director
DIN: 00035040

Rohan Mittal

Chief Financial Officer

Place: Hyderabad
Date: May 18, 2021

T S Maharani

Company Secretary
M No. F8069

Notes to Financial Statements

for the year ended March 31, 2021

1) CORPORATE AND GENERAL INFORMATION:

Gati Kintetsu Express Private Limited ("the Company" or "Gkepl") was incorporated in 2007 under provisions of Companies Act, 1956 having its Registered and Corporate Office at Plot no.20, Survey no.12, Kothaguda, Kondapur, Hyderabad - 500 084, Telangana, India. The company is India's pioneer and leader in express distribution and supply chain solutions. The business was transferred from Gati Limited on April 1, 2012. Gati Limited the holding company holds 70% and Kintetsu world (KWE) Japan group, holds the balance. An intrinsic network that spans length and breadth of India - Gkepl has a reach of more than 99% of districts in India.

2) BASIS OF ACCOUNTING

2.1 Statement of Compliance

The financial statements are prepared in accordance with and in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read along with Companies (Indian Accounting Standards) Rules, as amended and other provisions of the Act. The presentation of the Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

2.2 Basis of Measurement

The financial statements have been prepared on a going concern basis using historical cost convention, except

- Financial Instruments - Measured at Fair value/ Amortised cost;
- Plan Assets under defined benefit plans - Measured at fair value;

2.3 Functional and Presentation Currency

All financial information presented in Indian rupees (INR) which is the Company's functional currency, has been rounded to the nearest lakhs, unless otherwise stated.

2.4 Use of Estimates and Judgements

The preparation of the Company's financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, income and expenses, the accompanying disclosures and disclosures of contingent liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumption in these financial statements have been disclosed below. Appropriate changes in

estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates and judgments used are as below:

- (i) Defined benefit obligation
- (ii) Recognition of current tax and deferred tax
- (iii) Recognition and measurement of provisions and contingencies
- (iv) Fair value measurement of Financial instruments
- (v) Provision for Doubtful Debts and advances
- (vi) Goodwill impairment

2.5 Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and unbilled revenues. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered.

The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

2.6 Current Vs Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

Notes to Financial Statements

for the year ended March 31, 2021

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

2.7 Recent accounting pronouncements - issued but not yet effective

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through notification amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:-

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible assets under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Current maturities of Long-term borrowings shall be disclosed separately under the heading Short Term Borrowings.
- Security Deposits to be shown under the head of Other Non-Current Assets instead of Long-term Loans & Advances.

- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Ratios-Following Ratios to be disclosed: -
 - (a) Current Ratio, (b) Debt-Equity Ratio, (c) Debt Service Coverage Ratio, (d) Return on Equity Ratio, (e) Inventory turnover ratio, (f) Trade Receivables turnover ratio, (g) Trade payables turnover ratio, (h) Net capital turnover ratio, (i) Net profit ratio, (j) Return on Capital employed, (k) Return on investment.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

3) SIGNIFICANT ACCOUNTING POLICIES:

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.

3.1 Property, plant and equipment

Recognition and Measurement:

- Property, plant and equipment (PPE) held for use in the supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and cumulative impairment losses (if any).
- Cost comprises of cost of acquisition or construction inclusive of duties (net of tax) incidental expenses, interest and erection/commissioning expenses incurred up to the date asset is put to use. Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of PPE or bringing the PPE to working condition are allocated and capitalized as a part of cost of PPE. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Notes to Financial Statements

for the year ended March 31, 2021

Capital work in progress and Capital Advances:

Capital work-in-progress represents Property, Plant and Equipment that are not yet ready for their intended use as at the Balance sheet date. Capital advances given towards purchase/ acquisition of PPE outstanding at each balance sheet date are disclosed separately as Other Non-current Assets.

Non-current assets held for sale

Non-current assets held for sale are presented separately in the Balance Sheet when the following criteria are met

- the Company is committed to selling the assets;
- the assets are available for sale immediately;
- an active plan of sale has commenced; and
- sale is expected to be completed within 12 months.

Assets held for sale and disposal groups are measured at the lower of their carrying amount and fair value less cost to sell. Assets held for sale are no longer amortised or depreciated.

Subsequent Expenditure:

- Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Items such as spare parts, stand by equipment's and servicing equipment's that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.
- Cost in nature of repair and maintenance expenses are charged to the statement of profit or loss during the reporting period in which they are incurred.

Depreciation and Amortisation:

- Depreciation on tangible assets is provided on straight-line method at the rates determined based on the useful lives of respective assets as prescribed under Schedule II of the Companies act, 2013.
- Freehold land is not depreciated.
- Intangible assets are amortised on straight line basis over its estimated useful life.
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate.

- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed-off).

De-recognition Assets:

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss is recognized in the statement of profit and loss.

3.2 Intangible Assets:

Intangible assets are stated at acquisition cost net of accumulated amortisation or cumulative impairment, if any. The Company capitalizes identifiable costs relating to development of internally generated software and these are stated net of accumulated amortisation.

Intangible assets under development comprise costs relating to development of software that are not yet ready for their intended use as at the balance sheet date.

The carrying amount of the intangible asset is derecognized on disposal or when no future economic benefit is expected from its use. Any gain or loss is recognized in the statement of Profit and loss.

3.3 Lease

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use Assets (ROU Assets)

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Notes to Financial Statements

for the year ended March 31, 2021

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 3.4 Impairment of assets.

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of properties, machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases

of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.4 Impairment of assets:

- a) The Company assesses at each reporting date whether there is any indication that an asset (tangible or intangible), may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units (CGU) net selling price and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased and such reversal is recorded in the Statement of Profit and Loss.
- b) Assets that are subject to depreciation and amortisation are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.
- c) An entity shall test an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment, irrespective of whether there is any indication of impairment. This impairment test may be performed at any time during the year, provided it is performed at the same time every year.

3.5 Foreign currency Transactions:

- a) The financial statements are presented in Indian Rupee (INR), which is the functional and presentation currency of the Company.
- b) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction.
- c) At each balance sheet date, foreign currency monetary items are restated using the closing exchange rate.

Notes to Financial Statements

for the year ended March 31, 2021

- d) Any exchange difference on account of settlement of foreign currency transactions and restatement of monetary assets and liabilities denominated in foreign currency is recognized in the Statement of Profit and Loss.
- e) Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.6 Revenue recognition:

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to the performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various elements like discounts etc. offered by the company as part of the contract. The variable consideration is estimated based on the expected value of outflow.

a) Rendering of services:

Income from logistics services rendered are recognized when control over the services transferred to the customer i.e. when the customer has the ability to control the use of the transferred services as per the terms of contract. Revenue is recognized at the fair value of consideration received or receivable, to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

b) Others:

- I. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and amount of income can be measured reliably.
- II. Rent income is recognised on a straight-line basis over the period of the lease.

3.7 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument in another entity.

(i) Financial assets:

a) Initial recognition and measurement:

On initial recognition, a financial asset is classified and measured at:

- Amortized Cost; or

- Fair value through Other Comprehensive Income (FVOCI); or
- Fair value through Profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the company changes its business model for managing financial assets. In the case of financial assets, not recorded at fair value through profit or loss (FVPL), financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

• Financial assets at amortized cost:

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- (a) The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The effective interest rate (EIR) amortization is included in finance income in the Statement of Profit and Loss. This category generally applies to long-term deposits and long-term trade receivables.

• Financial assets at fair value through other comprehensive income (FVOCI):

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI-equity investment). This election is made on an investment-by-investment basis.

Financial assets are measured at the FVOCI if both of the following conditions are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI.

Notes to Financial Statements

for the year ended March 31, 2021

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

• **Financial assets at fair value through profit or loss (FVTPL):**

All financial assets which are not classified/measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

b) Subsequent measurement

For purposes of subsequent measurement:

Category	Subsequent measurement and gains and Losses
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method (EIR). The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in Statement of Profit and Loss. Any gain or loss on de-recognition is recognized in Statement of Profit and Loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to Statement of Profit and Loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in Statement of Profit and Loss.

(ii) Financial Liability:

Financial liabilities are classified and measured at amortized cost or FVTPL

a) Initial Recognition & Subsequent measurement:

• **Financial liabilities through fair value through profit or loss (FVTPL):**

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in Statement of Profit and Loss.

• **Financial liabilities at amortized cost:**

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Statement of Profit and Loss.

Interest bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

b) Financial guarantee liability:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognized initially as a liability at fair value net off transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortisation.

(iii) Impairment of Financial Assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

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for the year ended March 31, 2021

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

As a practical expedient, the Company uses historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates to determine impairment loss allowance on portfolio of its trade receivables.

(iv) De-recognition:

a) **Financial Assets:**

The Company derecognizes a financial asset only

- when the contractual rights to the cash flows from the asset expire, or
- It transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

b) **Financial liabilities:**

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in Statement of Profit and Loss.

(v) **Offsetting:**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet, when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net

basis or to realize the asset and settle the liability simultaneously.

3.8 Fair Value measurement:

A number of the Company's accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities. The Company has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. The Company measures financial assets and financial liability at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3- inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3.9 Employee benefits:

a) **Defined contribution plan:**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive

Notes to Financial Statements

for the year ended March 31, 2021

obligation to pay further amounts. The Company makes specified monthly contributions of employee provident fund to Government administered provident fund and Employee State insurance scheme which is defined contribution plans. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the statement of Profit and Loss in the periods during which the related services are rendered by employees.

b) Defined benefit plan:

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in Other comprehensive income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately

in Statement of profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The contributions are deposited with the Life Insurance Corporation of India based on information received by the Company. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognized in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested.

c) Compensated absences:

As per policy of the Company, employees can carry forward unutilized accrued compensated absences and utilize it in next service period or receive cash compensation. Since the compensated absences fall due wholly within twelve months after the end of the period in which the employees render the related service and are also expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a current employee benefit. The Company records an obligation for such compensated absences in the year in which the employee renders the services that increase this entitlement.

The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the Statement of Profit and Loss.

d) Short-term employee benefit:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

3.10 Income taxes:

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

Notes to Financial Statements

for the year ended March 31, 2021

a) Current tax:

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

b) Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

3.11 Cash and cash equivalents:

In the cash flow statement, cash and cash equivalents include cash in hand, cheques in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

3.12 Provisions and Contingencies:

Provisions are recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Such liabilities are disclosed by way of notes to the financial statements. No disclosure is made if the possibility of an outflow on this account is remote.

A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised till the realisation of the income is virtually certain. However, the same are disclosed in the financial statements where an inflow of economic benefits are possible.

3.13 Borrowing cost:

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Where there is an unrealized exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealized gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.

3.14 Segment Reporting:

Segments are identified based on the manner in which the Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance. Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property and equipment and intangible assets other than goodwill.

3.15 Earnings per share:

(i) Basic earnings per share

Basic earnings per share are calculated by dividing the net profit or loss before Other Comprehensive Income for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

(ii) Diluted earnings per share:

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

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for the year ended March 31, 2021

4A. PROPERTY, PLANT AND EQUIPMENT TANGIBLE ASSETS

Particulars	Gross Block			Accumulated Depreciation			Net Carrying Value			
	As at March 31, 2020	Additions	As at March 31, 2021	Deductions/ Adjustment	As at March 31, 2021	Depreciation for the year	Assets Reclassified to held for sale	Deductions/ Adjustment	As at March 31, 2021	As at March 31, 2020
Freehold Land	8,885	-	2,369	-	-	-	-	-	2,369	8,885
Buildings	4,543	-	800	-	651	82	600	133	667	3,892
Vehicles	4,388	-	879	1,131	932	434	531	489	533	3,456
Plant & Machinery	4,029	278	4,306	1	1,818	305	-	1	2,122	2,211
Computer	3,967	85	3,476	576	2,949	483	-	575	2,857	1,018
Furniture And Fittings	3,018	64	3,082	-	1,853	239	-	-	2,092	1,165
Office Equipment	2,122	57	2,169	10	1,695	200	-	10	1,885	427
Total	30,952	484	17,081	1,718	9,898	1,743	1,131	1,075	9,435	21,054

Particulars	Gross Block			Accumulated Depreciation			Net Carrying Value			
	As at March 31, 2019	Additions	As at March 31, 2020	Deductions/ Adjustment	As at March 31, 2020	Depreciation for the year	Reclassified on account of adoption of Ind AS 116	Deductions/ Adjustment	As at March 31, 2020	As at March 31, 2019
Freehold Land	8,885	-	8,885	-	-	-	-	-	-	8,885
Buildings	4,557	-	4,543	14	565	87	-	1	651	3,992
Vehicles	3,007	1,949	4,388	568	1,014	357	-	439	932	1,993
Vehicles - under Finance Lease	1,384	-	-	-	154	-	154	-	-	1,230
Plant & Machinery	3,622	428	4,029	21	1,478	350	-	10	1,818	2,143
Computer	3,479	749	3,967	261	2,674	521	-	246	2,949	805
Computers - under Finance Lease	346	-	-	-	80	-	80	-	-	266
Furniture And Fittings	2,810	208	3,018	-	1,477	376	-	-	1,853	1,333
Office Equipment	2,013	110	2,122	1	1,489	207	-	1	1,695	524
Total	30,103	3,444	30,952	865	8,931	1,898	234	697	9,898	21,171

Notes:

- The amount of Contractual commitments for acquisition of property, plant and equipment is disclosed in Note. 37(II)(a)
- Refer Note 20, 21, 23 and Note 25 for information on Property, Plant and Equipment pledged as securities by the Company.
- The Company has not capitalized any borrowing cost during the year. (March 31, 2020 - Nil)
- The company has decided to provide 100 per cent depreciation on the assets having written down value below ten thousand rupees, it has an impact of ₹ 81 lakh.
- Refer note 46 for detailed information on assets held for sale.

Notes to Financial Statements

for the year ended March 31, 2021

4B RIGHT OF USE ASSETS (ROU)

Particulars	Gross Block				Accumulated Amortization				Net Carrying Value			
	As at		Deductions/		As at		Deductions/		As at		As at	
	March 31, 2020	March 31, 2021	Adjustment	March 31, 2021	March 31, 2020	March 31, 2021	Adjustment	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021
Buildings	6,124	456	205	6,375	936	992	32	1,896	4,479	5,188		
Vehicles	1,367	-	32	1,335	323	170	13	480	855	1,044		
Computers	346	-	-	346	150	70	0	220	126	196		
Total	7,837	456	237	8,056	1,409	1,232	45	2,596	5,460	6,428		

Particulars	Gross Block				Accumulated Amortization				Net Carrying Value			
	As at		Deductions/		As at		Amortization		As at		As at	
	March 31, 2019	March 31, 2020	Adjustment	March 31, 2020	March 31, 2019	March 31, 2020	for the year	Adjustment	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
Buildings	6,124	-	-	6,124	-	936	936	-	936	5,188		
Vehicles*	1,384	-	17	1,367	154	173	173	4	323	1,044		
Computers*	346	-	-	346	80	70	70	-	150	196		
Total	7,854	-	17	7,837	234	1,179	1,179	4	1,409	6,428		

* Opening balances reclassified on adoption of Ind AS 116.

Notes:

- The aggregate depreciation expenses on Right of use Assets (ROU) is included under depreciation and amortization expenses in Statement of Profit and Loss.
- The company's obligation under leases are secured by lessor's title to leased assets.

5. GOODWILL

		(₹ in lakhs)	
		As at	As at
		March 31, 2021	March 31, 2020
		12,506	12,506
		12,506	12,506

Notes to Financial Statements

for the year ended March 31, 2021

6. OTHER INTANGIBLE ASSETS

(₹ in lakhs)

Particulars	Gross Block			Accumulated Amortization			Net Carrying Value			
	As at March 31, 2020	Additions	Deductions/ Adjustment	As at March 31, 2021	As at March 31, 2020	Depreciation for the year	Deductions/ Adjustment	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Computer	1,276	365	-	1,641	931	161	-	1,092	549	345
Software										
Total	1,276	365	-	1,641	931	161	-	1,092	549	345

(₹ in lakhs)

Particulars	Gross Block			Accumulated Amortization			Net Carrying Value			
	As at March 31, 2019	Additions	Deductions/ Adjustment	As at March 31, 2020	As at March 31, 2019	Depreciation for the year	Deductions/ Adjustment	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Computer	1,053	223	-	1,276	764	167	-	931	345	289
Software										
Total	1,053	223	-	1,276	764	167	-	931	345	289

Notes:

- The amount of Contractual commitments for acquisition of Intangible Assets is disclosed in Note. 37(II)(a)
- The Company has not capitalized any borrowing cost during the year. (March 31, 2020 - Nil)
- The company has decided to provide 100 per cent amortization on the assets having written down value below ten thousand rupees, it has an impact of ₹ 1 lakh.

7. INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
	-	207
	-	207
Notes:		
Expenses during the year capitalized in respect of Intangible Assets under Development.		
a) Employee Benefit Expenses	-	110
b) Other Expenses	-	97
	-	207

8. LOANS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
(Unsecured, Considered Good)		
Non Current		
Security Deposit with Others	449	465
Total (A)	449	465
Current		
Security Deposit with Holding company	575	719
Security Deposit with Others	2,006	2,122
Total (B)	2,581	2,841
Grand Total	3,030	3,306

Notes to Financial Statements

for the year ended March 31, 2021

9. DEFERRED TAX ASSETS (NET)

Deferred Tax Assets (Net)

	As at March 31, 2021	As at March 31, 2020
Deferred Tax Assets (Net)	2,423	623
	2,423	623

(₹ in lakhs)

9.1 Movement in Deferred Tax Assets and Liabilities during the year ended March 31, 2020 and March 31, 2021

Deferred Tax Balance in relation to	As at March 31, 2020	Recognised In Statement of Profit & Loss	Recognised In Other Comprehensive Income (OCI)	As at March 31, 2021
Deferred Tax Assets/(Liabilities)				
Property, plant and equipment	(552)	1,269	-	717
Allowances for Doubtful Receivables	802	233	-	1,034
Employee benefits - Gratuity and Leave Encashment	307	(14)	83	376
Other temporary Differences	66	230	-	296
Deferred Tax Assets/(Liabilities)	623	1,718	83	2,423

(₹ in lakhs)

Deferred Tax Balance in relation to	As at March 31, 2019	Recognised In Statement of Profit & Loss	Recognised In Other Comprehensive Income (OCI)	As at March 31, 2020
Deferred Tax Assets/(Liabilities)				
Property, plant and equipment	(691)	140	-	(552)
Allowances for Doubtful Receivables	718	83	-	802
Employee benefits - Gratuity and Leave Encashment	381	(101)	27	307
Other temporary Differences	(5)	70	-	66
Deferred Tax Assets/(Liabilities)	403	192	27	623

(₹ in lakhs)

10. NON CURRENT TAX ASSET (NET)

	As at March 31, 2021	As at March 31, 2020
Tax Deducted at Source	14,439	14,512
Advance Tax	1,211	1,211
	15,650	15,723
Less: Provision for Income Tax	(8,054)	(8,054)
Total	7,596	7,669

(₹ in lakhs)

11. OTHER NON-CURRENT ASSETS

	As at March 31, 2021	As at March 31, 2020
Capital Advances		
Unsecured, considered good	33	19
Unsecured, considered doubtful	59	59
	92	78
Less: Provision for doubtful advances	59	59
	33	19
Total (A)	33	19
Deposit with Banks more than 12 months (Margin money)	-	17
Prepaid Expenses	18	30
Total (B)	18	47
Total (A) + (B)	51	66

(₹ in lakhs)

Notes to Financial Statements

for the year ended March 31, 2021

12. TRADE RECEIVABLES

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Unsecured		
Considered good	18,441	20,240
(Including from Holding Company ₹ 77 lakhs, 31 March 2020 - ₹ 4,052 lakhs)		
Significant increase in credit risk	-	-
Credit impaired	3,002	2,266
Total	21,443	22,506
Less: Allowances for Doubtful Receivables (Refer Note 41B (i))	(3,002)	(2,266)
Total	18,441	20,240

Note:

- i) No Trade receivables are due from directors and other officers of the company either severally or jointly with any other person.
- ii) For details of debts due from firms or private companies in which any director is a partner, a director or a member, refer Note 49 of related party transactions.
- iii) The Carrying amount of trade receivables is pledged as security for borrowings. (Refer Note 23)
- iv) Trade Receivables are non interest bearing and are generally with the credit period of 30 to 60 days.

13. CASH AND CASH EQUIVALENTS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Cash on hand	20	40
Balance With Banks:		
- In Current accounts	2,994	1,873
	3,014	1,913

14. BANK BALANCES OTHER THAN ABOVE

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Balances with Bank held as margin money/ security	212	153
Deposit with Banks with more than 3 months but less than 12 months*	870	775
	1,082	928

15. OTHER FINANCIAL ASSETS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
(Unsecured, Considered Good unless otherwise stated)		
Advance to Employees	16	25
Interest Accrued on Deposit/ Investment	6	11
Earnest Money Deposits	10	10
Other Receivables*	278	850
(Including from Holding Company ₹ 101 lakhs, March 31, 2020 - ₹ 379 lakhs)		
* Includes management fees receivable from Holding Company, and other receivables from business partners		
Total	310	896

Notes to Financial Statements

for the year ended March 31, 2021

16. OTHER CURRENT ASSETS

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
(Unsecured, Considered Good unless Otherwise Stated)		
Advance Against supply of Goods & Services	3,056	1,241
Less: - Allowances on advances	(437)	(219)
	2,619	1,023
Prepaid Expenses	302	296
Balances with Statutory Authorities	162	234
	3,083	1,553

17. ASSETS CLASSIFIED - HELD FOR SALE

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Land & Building*	6,200	-
Commercial Vehicles*	1,270	-
(*) Refer Note 46		
	7,470	-

18. EQUITY SHARE CAPITAL

	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Authorized:				
Equity Shares of ₹ 10/- each	7,50,000	75	7,50,000	75
		75		75
Issued:				
Equity Shares of ₹ 10/- each fully paid up	5,00,000	50	5,00,000	50
		50		50
Subscribed and Paid-up:				
Equity Shares of ₹ 10/- each fully paid up	5,00,000	50	5,00,000	50
	5,00,000	50	5,00,000	50

- a) There has been no change / movements in number of shares outstanding at the beginning and at the end of the reporting period.
- b) Terms /Rights attached to Shareholders
The Company has only one class of issued shares i.e. Equity Shares having par value of ₹ 10 per share. Each holder of Equity Shares is entitled to one vote per share and equal right for dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.
- c) Gati Limited is the Holding Company of this Company as at March 31, 2021, 3,50,000 shares (PY 3,50,000 shares) are held by the holding company.
- d) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period:

	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Equity Shares of ₹ 10 each fully paid				
Shares at the beginning of the year	5,00,000	50	5,00,000	50
Shares at the end of the year	5,00,000	50	5,00,000	50

Notes to Financial Statements

for the year ended March 31, 2021

e) Details of shareholders holding more than 5% shares in the Company:

Equity Shares of ₹ 10 each fully paid held by Name of the Shareholders	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% Holding	No. of Shares	% Holding
Gati Limited	3,50,000	70%	3,50,000	70%
Kintetsu World Express (S) Pte. Ltd.	1,30,000	26%	1,30,000	26%

f) No Equity Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment as at the Balance Sheet date.

g) The company has neither allotted any equity shares for consideration other than cash nor has issued any bonus shares nor has bought back any shares during the period of five years preceding the date at which Balance Sheet is prepared.

h) No calls are unpaid by any directors or officers of the company during the year.

19. OTHER EQUITY

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Securities Premium	17,836	17,836
General Reserve	1,720	1,720
Retained Earnings	10,333	14,945
	29,889	34,501

The description, nature and purpose of each reserve within other equity are as follows: -

Securities Premium

Securities premium is used to record the premium on issue of equity shares. The same can be utilised in accordance with the provisions of The Companies act, 2013.

General Reserve

General reserve is the retained earnings of the company, which are kept aside out of the Company's profit to meet future (known or unknown) obligations.

Retained Earnings

Retained earnings comprise of net accumulated profit / (loss) of the company, after declaration of dividend.

20. LONG TERM BORROWINGS

(₹ in lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Non - Current	Current Maturities	Non - Current	Current Maturities
Secured				
i) Term Loan From Banks	939	125	2,350	1,219
ii) Term Loan From Others	38	109	147	98
iii) Vehicle Loan From Banks	106	72	1,804	773
iv) Vehicle Loan from Others	30	63	394	238
Total (A)	1,113	369	4,695	2,328
Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note 25)		(369)		(2,328)
Total (B)	-	(369)	-	(2,328)
	1,113	-	4,695	-

Notes to Financial Statements

for the year ended March 31, 2021

Particulars of Nature of security

- i) a) Rupee Term Loan from Bank is repayable in 1 quarterly instalment of ₹ 125 lakhs between April 2021 to June 2021. The primary security being subservient charge on current assets and fixed assets of the company to the extent of 100% coverage on loan amount and collateral being property at Peenya, Bangalore. The above term loan is guaranteed by the Holding company. The loan carries interest one year MCLR+1.25%
- b) Rupee Term Loan from Bank is repayable in 47 monthly equal instalment of ₹ 23 lakhs between April 2022 to February 2026. The collateral being second charge on all primary and collateral securities available for the existing facilities with the bank. The loan carries interest rate of 7.5%
- ii) Rupee Term loan from other financial institution is hypothecated to its underlying fixed assets and is repayable in 16 monthly equal instalment of ₹ 10 lakhs between April 2021 to July 2022 for equipment financing, and the underlying assets are hypothecated. The loan carries interest rate of Long term lending rate (LTLR) less 9.25% as announced by the institution from time to time.
- iii) & iv) Vehicles are hypothecated against the Vehicle loans from Banks & other financial institutions.

21. LEASE LIABILITIES

	(₹ in lakhs)			
	As at March 31, 2021		As at March 31, 2020	
	Non - Current	Current	Non - Current	Current
Lease Obligation (Refer Note 38)	4,942	1,122	5,806	960
Total	4,942	1,122	5,806	960

22. PROVISIONS

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Employee Benefits		
Gratuity (Refer Note 39)	723	477
Leave Encashment	341	277
Total	1,064	754

23. CURRENT BORROWINGS

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Secured		
i) Working Capital facilities from Banks		
- Cash Credit/Working capital demand loan	14,265	12,496
Total	14,265	12,496

- a) Working Capital Borrowings in rupees is secured by book debts and other current assets of the company on pari-passu charge with all working capital lenders under multiple banking arrangement. Weighted average rate of interest is 8.86%.

24. TRADE PAYABLES

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
For Goods and Services		
Total outstanding dues of micro enterprises and small enterprises (Refer Note No.40)	343	110
Total outstanding dues of creditors other than micro enterprises and small enterprises		
(a) Acceptances	128	1,357
(b) Others	7,822	7,262
	8,293	8,728

Notes to Financial Statements

for the year ended March 31, 2021

25. OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Current Maturities of Long-term Borrowing Term Loan (Refer Note 20)	369	2,328
Interest accrued but not due on borrowings	19	55
Employee Related Liabilities	3,293	1,496
Security Deposits	2,786	2,358
	6,466	6,237

26. OTHER CURRENT LIABILITIES

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Statutory dues	1,642	1,187
Others	3,438	2,143
	5,080	3,331

27. PROVISIONS

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Employee Benefits		
Gratuity (Refer Note 39)	245	93
Leave Encashment	133	83
	377	176

28. REVENUE FROM OPERATIONS

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Sale of Services		
Freight and other service charges [including from Holding Company ₹ 1,197 lakhs (Previous year ₹ 5,229 lakhs)]	96,079	1,10,028
Supply Chain Management services	4,778	5,163
Total (A)	1,00,857	1,15,191
Other Operating Revenue		
Miscellaneous Income	175	319
Management fees	153	433
Total (B)	328	752
Grand Total (A) + (B)	1,01,185	1,15,943

A. Revenue from contracts with customers disaggregated based on revenue stream and by reportable segment

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue based on product & services		
1. Segment Revenue (Net Sale / Income from each Segment)		
a) Express Distribution	1,00,857	1,15,191
b) Other Operating Revenues	328	752
Total	1,01,185	1,15,943
Revenue based on Geography		
India	1,01,185	1,15,943
Overseas	-	-
	1,01,185	1,15,943

Notes to Financial Statements

for the year ended March 31, 2021

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Reconciliation of Revenue from Operation with contract price		
Revenue as per contract price	1,05,671	1,20,175
Less:		
Discounts	96	134
Credit note	1,841	1,982
Unsatisfied performance obligation	2,549	2,116
Revenue from Operation	1,01,185	1,15,943

Transaction Price - Unsatisfied Performance Obligation

The Company's unsatisfied performance obligations mainly arises on account of undelivered shipments. The aggregate value of transaction price allocated to the unsatisfied performance obligations as at March 31, 2021 is ₹ 2,549 lakhs, which is expected to be recognised during next year.

The Company recognises revenue at a point in time. Contract with customers are of short-term duration and all sales are direct to customers.

Contract Balances

	(₹ in lakhs)	
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contract Assets	228	172
Trade receivables	21,443	22,506
Less: Impairment allowances	(3,002)	(2,266)
Total	18,441	20,240

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognised as revenue as and when the performance obligation is satisfied.

29. OTHER INCOME

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income from financial assets at amortized cost		
Deposits with Bank	70	111
Interest on Income Tax refund	277	-
Unwinding of financial asset	-	68
Other Non Operating Income		
Rent	8	20
Bad debts recovery	8	-
Liabilities no longer required - written back	99	230
Others	34	31
Total	496	460

Notes to Financial Statements

for the year ended March 31, 2021

30. OPERATING EXPENSES

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Freight (Including to Holding Company- Nil, Previous year ₹ 128 lakhs)	59,047	67,427
Vehicles' trip expenses	4,762	6,240
Handling Charges	1,791	2,432
Vehicles' taxes	50	55
Vehicles' Insurance	65	41
Tyres and Tubes	71	59
Supply Chain Management services	3,271	3,524
Claims for Loss & Damages (Net)	376	617
Other Operating Expenses	717	861
Total	70,150	81,256

31. EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, Wages & Bonus*	13,961	14,048
Contribution to Provident and Other Funds (Refer Note 39)	881	1,161
Staff Welfare Expenses	242	271
Total	15,084	15,480

(*) Refer note 44 on excess managerial remuneration paid during the current financial year.

32. FINANCE COSTS

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest Expenses		
Term Loans	533	596
Working Capital Loans	1,247	1,406
Lease liabilities	794	846
Other Borrowing cost	8	44
Total	2,582	2,892

33. DEPRECIATION AND AMORTIZATION EXPENSE

(₹ in lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on Property, Plant and Equipment (Refer Note 4A)	1,743	1,898
Depreciation on Right-of-Use Asset (Refer Note 4B)	1,232	1,179
Amortisation of Intangible Assets (Refer Note 6)	161	167
	3,136	3,244

Notes to Financial Statements

for the year ended March 31, 2021

34. OTHER EXPENSES

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Lease Rentals (Refer Note 38)	5,235	5,560
(Including to Holding Company ₹ 459 lakhs Previous year ₹ 445 lakhs)		
Rates and Taxes	452	333
Insurance	139	132
Telephone expenses	85	132
Printing and Stationery	218	288
Travelling expenses	187	537
Professional and Legal expenses	1,059	517
Advertisement Expenses	76	268
Office Maintenance and Repairs	1,455	1,777
Electricity Expenses	757	929
Automation Network Expenses	512	512
Miscellaneous Expenses	602	827
Loss on disposal of Property, Plant and Equipment (Net)	74	36
Directors' Sitting fees	6	9
Remuneration to Auditors (Note 34.1)	27	36
Allowance for Doubtful receivables	747	848
Allowance for other financial assets	219	219
Bad debts and irrecoverable balances written off	102	525
Less: - Provision for loss allowance recognized in earlier years	(11)	(76)
Corporate Social Responsibility Expenditure (Refer Note 34.2)	47	70
Donations	-	36
Total (A)	11,988	13,515
REPAIRS & MAINTENANCE		
Vehicles	65	116
Plant and Equipment	101	136
Buildings	17	7
Computers	491	610
Total (B)	674	869
Total (A) + (B)	12,662	14,384

34.1 Payment to Auditor (excluding Goods and Service Tax)

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Statutory Audit fees	15	15
Taxation matters	-	6
Other matters	11	11
Reimbursement of out of Pocket Expenses	1	4
	27	36

34.2 Corporate Social Responsibility Expenditure

- During the year, the company has incurred ₹ 47 lakhs (previous year ₹ 70 lakhs) on account of Corporate Social Responsibility (CSR) included under Other Expenses.
- Gross Amount required to be spent by the company during the year is ₹ 47 lakhs.
- Amount of ₹ 47 lakhs, approved by the board to be spent during the year

Notes to Financial Statements

for the year ended March 31, 2021

(d) Amount spent during the year on:

Particulars	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	47	70
	47	70

(e) Unspent Amount:

Particulars	(₹ in lakhs)
Opening Balance as on April 01, 2020	144
Amount deposited in specified fund of Schedule VII within 6 months	-
Amount required to be spent during the year	47
Amount spent during the year	47
Closing Balance as on March 31, 2021	144

35. EXCEPTIONAL ITEMS

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Loss on Asset Held for Sale Classification - Land & Building	3,459	-
Loss on Asset Held for Sale Classification - Commercial Vehicles	577	-
Loss on disposal of Property, Plant and Equipment (Net)	85	-
Loss on disposal of Asset held for sale	30	-
Total	4,151	-

The Exceptional items (non-cash, non-recurring) of ₹ 4,151 lakhs represents diminution in the present fair value of the assets sold during the year and proposed to be sold which is disclosed as "Assets held for Sale".

36. TAX EXPENSES

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Profit Before Tax	(6,084)	(853)
Income Tax recognised in Statement of Profit and Loss		
Current Tax	-	117
Deferred Tax	(1,718)	(192)
Total	(1,718)	(76)
Income Tax recognised in Other Comprehensive Income		
Deferred tax expenses on remeasurements of defined benefit plans	(83)	(27)
Total	(83)	(27)
Grand Total	(1,801)	(103)
Profit After Tax	(4,366)	(778)
Other Comprehensive Income (Net of Tax)	(246)	(79)
Total Comprehensive Income	(4,612)	(857)

Notes to Financial Statements

for the year ended March 31, 2021

36.1 Reconciliation of Income Tax expense for the year with book profits

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Profit before Tax	(6,084)	(853)
Applicable Tax Rate	25.17%	25.17%
Tax Expense	(1,531)	(215)
Tax Effect of:		
Expenses non-deductible for tax purposes	2,421	122
Expenses allowable for tax purposes	(1,064)	(105)
Reversal of opening deferred tax due to change in tax rate	-	113
Other Adjustments	(1,544)	10
Current Tax provision (A)	(1,718)	(76)
Effective Tax Rate	28.23%	8.9%

36.2 In the previous year, the company opted to exercise the option under section 115 BBA of the Income Tax Act, 1961 as introduced by the Taxation laws (Amendment) Ordinance, 2019 and has taken 25.168% rate of corporate tax in its accounts. Accordingly, the company has recognized provisions for income tax and re-measured its deferred tax assets/liabilities on the basis of above option.

37. CONTINGENT LIABILITIES AND COMMITMENTS

(I) Contingent liabilities (to the extent not provided for)

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
(a) Claim against the Company not acknowledged as debt		
(i) Income tax Demand disputed in appeals (includes amount paid under protest and adjustments of ₹ 1,991 lakhs, previous year - ₹ 398 lakhs)	2,382	1,794
(ii) Indirect Tax demand disputed in appeals	303	303
(iii) Pending Litigations	354	429
Total	3,039	2,526

Notes:

- Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only a receipt of judgements / decisions pending with various forums / authorities.
- The company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. Also, the Company does not expect any reimbursement in respect of the above contingent liabilities.

	(₹ in lakhs)	
(b) Bank Guarantee (*)	369	211

(*) Bank Guarantee is issued to meet certain business obligations towards government agencies and certain customers.

- There has been a Supreme Court (SC) judgement dated February 28, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. During the current year ended March 31, 2021, Company is in compliance with same. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, was not ascertainable and consequently no effect was given in the accounts.
- Code on Social Security, 2020 ('Code') relating to employee benefits during employment and postemployment has been notified in the official Gazette on September 29, 2020 and its effective date is yet to be notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the year the Code becomes effective.

Notes to Financial Statements

for the year ended March 31, 2021

(II) Commitments

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
(a) Commitment for acquisition of Property, Plant & Equipments and Intangible Assets (Net of advances)		
Towards Property, Plant & Equipment	20	24
Towards Intangible Assets	16	62
	36	86

(b) For lease commitments Refer Note 38

38. LEASES

(a) The Company has lease contracts for certain items of Computers, Vehicles & Buildings. The Company's obligations under leases are secured by the lessor's title to the leased assets.

(b) Movement in lease liabilities during the year ended March 31, 2021

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Lease liabilities at the beginning of the year	6,765	1442
Additions	456	6124
Interest cost accrued during the year	794	846
Payment of lease liabilities	(1,768)	(1,647)
Deletion	(183)	-
Lease liabilities at the end of the year	6,064	6765

(c) Amount recognized in Profit or Loss

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest expense on lease liabilities	794	846
Depreciation expense of right-of-use assets	1,232	1179
Expense relating to short term leases (included in other expenses & operating expenses)	6,301	6674
	8,327	8,699

(d) Amounts recognised in the statement of cash flow

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Total cash outflow for leases	1,768	1,647

(e) Future payment of lease liabilities on an undiscounted basis

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Not later than one year	1,807	1,720
Later than one year but not later than five years	5,022	5,385
Later than five years	1,880	2,988
Total	8,709	10,093
Current lease liabilities	1,122	960
Non-current lease liabilities	4,942	5,806
Total Lease liabilities	6,064	6,766

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Notes to Financial Statements

for the year ended March 31, 2021

39. DISCLOSURE AS REQUIRED UNDER IND AS -19 ON EMPLOYEE BENEFITS

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Statement of Assets and Liabilities for defined benefit obligation		
Net defined benefit obligation - Gratuity Plan	(1,377)	(1,133)
Net defined benefit asset - Gratuity Plan	409	563
Total employee benefit (liabilities) / Assets	(968)	(570)

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Defined contribution		
Provident/Pension fund	721	783
Superannuation fund	13	36
Employee state insurance	120	138
	854	957

Defined benefits - Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contributions to recognised funds in India.

These defined benefit plans expose the Company to actuarial risks, such as currency risk, interest risk and market (investment) risk.

The Company expects to contribute ₹ 348 lakhs to Gratuity Fund in the next year.

Inherent risk

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.

The following tables analyse present value of defined benefit obligations, expense recognised in Standalone Statement of Profit and Loss, actuarial assumptions and other information.

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Reconciliation of the net defined benefit (asset)/ liability:		
(I) Reconciliation of present value of defined benefit obligation		
(a) Balance at the beginning of the year	1,133	939
(b) Current service cost	128	127
(c) Interest cost	68	70
(d) Benefits paid	(276)	(123)
(e) Actuarial (gains)/ losses recognised in other comprehensive income	-	-
change in demographic assumptions	70	(0)
change in financial assumptions	117	70
experience adjustments	137	50
Balance at the end of the year	1,377	1,133
(II) Reconciliation of present value of plan assets		
(a) Balance at the beginning of the year	563	403
(b) Actual return on plan assets	32	44
(c) Contributions by the employer	90	120
(d) Contributions by the employee	-	-
(e) Benefits paid	(276)	(123)
(f) Acquisition Adjustment	-	119
Balance at the end of the year	409	563

Notes to Financial Statements

for the year ended March 31, 2021

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Reconciliation of the net defined benefit (asset)/ liability:		
(III) Net asset/ (liability) recognised in the Balance Sheet		
(a) Present value of defined benefit obligation	(1,377)	(1,133)
(b) Fair value of plan assets	409	563
Net defined benefit obligations in the Balance Sheet	(968)	(570)
(IV) Expense recognised in Statement of Profit or Loss		
(a) Current service cost	128	127
(b) Past service cost	-	-
(c) Interest cost	68	70
(d) Interest income	(37)	(30)
Amount charged to Profit or Loss	159	167
(V) Remeasurements recognised in Other Comprehensive Income		
(a) Actuarial gain / (loss) on defined benefit obligation	324	120
(b) Return on plan asset excluding interest income	5	(14)
Amount recognised in Other Comprehensive Income	329	106
(VI) Plan assets		
Plan assets comprise of the following:		
(a) Investments with LIC	100%	100%
(VII) Actuarial assumptions		
Principal actuarial assumptions at the reporting date (expressed as weighted averages)		
(a) Discount rate	5.58%	6.50%
(b) Future salary growth	6.00%	4.00%
(c) Retirement age (years)	58	58
(d) Withdrawal rates	25%	9%

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2006-08).

(IX) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

(₹ in lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Increase	Decrease	Increase	Decrease
(a) Discount rate (1% movement)	(42)	45	(70)	80
(b) Future salary growth (1% movement)	44	(42)	80	(71)
(c) Withdrawal assumption (1% movement)	(3)	3	9	(9)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions as shown.

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
Expected cash flows over the next (valued on undiscounted cash flows)		
1 year	348	184
2 to 5 years	838	493
6 to 10 year	370	465
more than 10 years	124	764

Notes to Financial Statements

for the year ended March 31, 2021

40. DUE TO MICRO ENTERPRISES AND SMALL ENTERPRISES

(₹ in lakhs)

	As at March 31, 2021	As at March 31, 2020
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year:		
Principal amount due to micro and small enterprises	343	110
Interest due on above	-	-
Total	343	110
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

Dues to Micro, small and Medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management (March 31, 2020 - ₹110 lakhs).

41. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

A. Category wise classification of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2021

(₹ in lakhs)

Particulars	Carrying amount				Total carrying amount
	FVTPL	FVOCI	Other financial assets at amortised cost	Other financial liabilities at amortised cost	
Financial assets not measured at fair value					
Loans	-	-	3,030	-	3,030
Trade receivables	-	-	18,441	-	18,441
Cash and cash equivalents	-	-	3,014	-	3,014
Other bank balances	-	-	1,082	-	1,082
Other financial assets	-	-	310	-	310
	-	-	25,877	-	25,877
Financial liabilities not measured at fair value					
Borrowing	-	-	-	15,746	15,746
Lease Liabilities	-	-	-	6,064	6,064
Trade payables	-	-	-	8,293	8,293
Other financial liabilities	-	-	-	6,098	6,098
	-	-	-	36,201	36,201

Notes to Financial Statements

for the year ended March 31, 2021

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2020

Particulars	(₹ in lakhs)				
	Carrying amount			Other financial liabilities at amortised cost	Total carrying amount
	FVTPL	FVOCI	Other financial assets at amortised cost		
Financial assets not measured at fair value					
Loans	-	-	3,306	-	3,306
Trade receivables	-	-	20,240	-	20,240
Cash and cash equivalents	-	-	1,913	-	1,913
Other bank balances	-	-	928	-	928
Other financial assets	-	-	896	-	896
	-	-	27,283	-	27,283
Financial liabilities not measured at fair value					
Borrowing	-	-	-	19,519	19,519
Lease Liabilities	-	-	-	6,765	6,765
Trade payables	-	-	-	8,728	8,728
Other financial liabilities	-	-	-	3,909	3,909
	-	-	-	38,921	38,921

Financial instruments measured at amortised cost

The carrying amount of the financial asset and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair value since the company does not anticipate that the carrying amount would be significantly different from the values that would eventually be received or settled.

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

Risk management framework

The Company's principal financial liabilities includes borrowings, lease liabilities, trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, loans, cash and cash equivalents and other financial assets that derive directly from its operations.

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans & Deposits given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying

Notes to Financial Statements

for the year ended March 31, 2021

value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

a) Trade receivables

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. The Company uses expected credit loss model to assess the impairment loss or gain in accordance with Ind AS 109. The Company uses a provision matrix to compute the credit loss allowance for trade receivables.

The movement of Trade Receivables and Expected Credit Loss are as follows :

Particulars	₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Trade Receivables (Gross)	21,443	22,506
Less: Expected Credit Loss	3,002	2,266
Trade Receivables (Net)	18,441	20,240

Reconciliation of loss allowance provision (Trade receivables)	Amount
Loss Allowance on April 1, 2019	1,493
Change in Loss allowance	773
Loss Allowance as on March 31, 2020	2,266
Change in Loss allowance	736
Loss Allowance as on March 31, 2021	3,002

b) Loans (Security deposits given)

The company has security deposits with lessors for leased premises at the year end. The credit worthiness of such lessors is evaluated by the management on an ongoing basis and is considered good.

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's finance team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

March 31, 2021	Carrying amount	Contractual Cashflows			
		Total	Less than		More than 5 years
			1 Year	1 to 5 years	
Borrowings	15,746	15,746	14,633	1,113	-
Lease Liabilities	6,064	8,709	1,807	5,022	1,880
Trade Payables	8,293	8,293	8,293	-	-
Other Financial Liabilities	6,098	6,098	6,098	-	-
	36,201	38,846	30,831	6,135	1,880

Notes to Financial Statements

for the year ended March 31, 2021

(₹ in lakhs)

March 31, 2020	Carrying amount	Contractual Cashflows			
		Total	Less than 1 Year	1 to 5 years	More than 5 years
Borrowings	19,519	19,519	14,824	4,695	-
Lease Liabilities	6,765	10,093	1,720	5,385	2,988
Trade Payables	8,728	8,728	8,728		
Other Financial Liabilities	3,909	3,909	3,909		
	38,921	42,249	29,181	10,080	2,988

(iii) Floating exchange rate and interest rate risk

Floating exchanges rates

Floating exchanges rate risk is the risk that changes in market prices - such as interest rates - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

There is no foreign currency exposure outstanding at the year end (Previous Year - Nil). The Company does not have foreign currency exposure and hence is not exposed to any foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long term and short term borrowing with floating interest rates. The company constantly monitors the credit markets and rebalances its financing strategies to achieve a optimal maturity profile and financing cost.

The interest rate profile of the Company's interest bearing financial instruments at the end of the reporting period are as follows :

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed rate instruments		
Financial assets	-	-
Financial liabilities		
Term Loan From Banks	939	-
Vehicle Loan From Banks	178	2,577
Vehicle Loan from Others	92	631
Finance lease Obligation (refer note 38)	6,064	6,765
	7,273	9,973
Variable rate instruments		
Financial assets		
Financial liabilities		
Term Loan From Banks	125	3,569
Term Loan From Others	147	246
Cash Credit	14,265	12,496
	14,537	16,311
	21,810	26,284

Notes to Financial Statements

for the year ended March 31, 2021

Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

Particulars	(₹ in lakhs)			
	Effect on profit before tax		Effect on Equity	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Variable rate instruments - increase by 100 basis points	145	163	145	163
Variable rate instruments - decrease by 100 basis points	(145)	(163)	(145)	(163)

The sensitivity analysis above has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year.

42. CAPITAL MANAGEMENT

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure the Company monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders, debt includes current maturities of long term borrowings.

The Company monitors capital on the basis of the following gearing ratio.

Particulars	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Borrowings(including current maturities of Long term borrowing)	15,746	19,519
Less:-		
Cash and cash equivalents	3,014	1,913
Bank Balances other than Cash and cash equivalents	1,082	928
Net Debt	11,650	16,678
Equity	29,939	34,551
Debt to equity ratio	0.39	0.48

43. EARNINGS PER SHARE

Particulars	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Profit/(Loss) for the year	(4,366)	(778)
Weighted average number of shares (Nos.)	5,00,000	5,00,000
Basic and Diluted Earnings Per Share (In ₹)	(873.23)	(155.50)
Nominal value of shares outstanding (In ₹)	10	10

Notes to Financial Statements

for the year ended March 31, 2021

44. a) The managerial remuneration paid to the former Executive chairman and Managing Director (CMD) and current Deputy Managing Director of the company for the year ended March 31, 2021 has exceeded the limit prescribed under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 175 lakhs, excluding ₹ 100 lakhs paid as onetime exgratia to the DMD by the Holding Company "Gati Limited". Pending necessary approvals for the waiver of excess remuneration, no adjustment to the financial statements has been made as on March 31, 2021 and the said matter has been mentioned as an emphasis of matter by statutory auditor.
- b) The managerial remuneration paid to the former Executive chairman and Managing Director (CMD) and the Deputy Managing Director of the company for the year ended March 31, 2020 had exceeded the limit prescribed under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 403 lakhs. This excess remuneration has been waived off by the shareholders of the said subsidiary company at their AGM held on December 02, 2020 by passing the Special Resolution. However, the waiver pertaining to the Executive CMD was conditional subject to the full refund of the excess of managerial remuneration paid to him for FY' 2019 (amounting to ₹ 106 Lakhs) on or before January 31, 2021. The same was recovered in full and hence the waiver of excess remuneration for FY 2020 was accorded.
45. The Company has initiated recovery of overdue advances given ₹ 732 lakhs to a party in an earlier year and out of which ₹ 437 lakhs is outstanding as of March 31, 2021. Out of the amount receivable, the management has provided ₹ 219 lakhs in earlier year and the balance amount has been provided in the current year. A MoU has been signed with a revised repayment schedule which has been agreed between company and the party in which this amount is also included.
46. Company has adopted an Asset Light Strategy, basis which the decision was taken to sell the immovable properties and company owned commercial vehicles and use the proceeds from such sale to pare the debt. Net book value of assets classified held for sale as at March 31, 2021 amounting to ₹ 11,506 Lakhs. Exceptional item refers to loss on fair value of such assets as at March 31, 2021 in line with Ind AS 105.
47. Company has overdue receivables from its fellow subsidiary "GATI Import Export private limited" amounting to ₹ 160 lakhs towards freight services and rental income, where the business operations are also discontinued. The company is now in possession of the title deeds of a land property, which is an adequate security.
48. The COVID-19 pandemic continues to spread throughout the world. The performance of the Company operation was impacted during the first quarter, following nationwide lockdown by the Government of India. The Company has resumed operations in a phased manner as per directives from the Government of India. The company has taken-into-account the impact of COVID - 19 in preparation of financial results including its assessment of going concern and recoverability of the carrying amounts of financial and non-financial assets. The extent to which the pandemic will impact our future financial statements are currently uncertain and will depend on various other economic developments.

Notes to Financial Statements

for the year ended March 31, 2021

49. RELATED PARTY DISCLOSURES

(A) Names of related parties and description of relationship for the year ended March 31, 2021

a) Ultimate Holding Company

Allcargo Logistics Limited

b) Holding Company

Gati Limited

c) Fellow Subsidiaries

- i) Gati Kausar India Ltd
- ii) Gati Import Export Trading Ltd
- iii) Gati Cargo Express (Shanghai) Co. Ltd

d) Entities in which Key Managerial Personnel & their relatives able to exercise significant influence

- i) Giri Road lines and Commercial Trading Private Limited *
- ii) TCI Hiways Pvt. Ltd. *
- iii) Gati Academy *
- iv) Jaldi Traders & Commerce House Pvt Ltd. *
- v) Share India ***
- vi) Solaflex Solar Energy Private Limited *
- vii) P. D. Agarwal Foundation *
- viii) ABC India Limited *

e) Entities under common influence /control with the company

- i) Kintetsu World Express (India) Pvt. Ltd.
- ii) TCI Telenet Solutions Pvt Ltd *

f) List of Key Managerial Personnel:

Executive directors

- i) Mr. Mahendra Agarwal *
- ii) Mr. Bala Subramanian Aghoramurthy
- iii) Mr. Adarsh Hegde (w.e.f. October 05, 2020)

Non-Executive directors

- i) Mr. R Ramachandran
- ii) Ms. Sheela Bhide
- iii) Mr. Kok Seng Tan
- iv) Mr. Kazuhisa kawamura
- v) Mr. SushilKumar Jiwrajka (Appointed on 19.09.2019 & Resigned on 05.12.2019)
- vi) Mr. Mohinder Pal Bansal (Appointed on 05.10.2020 & Resigned on 04.03.2020)

*Ceased to qualify as a related party on September 28, 2020

**Ceased to be related party on August 16, 2020 due to disinvestment in Gati Asia Pacific by Gati Ltd and become a fellow subsidiary to Allcargo Logistics Ltd

*** No transactions during the year.

Notes to Financial Statements

for the year ended March 31, 2021

(B) Summary of the transactions with related parties:

Sl. No.	Nature of transactions	Key Managerial Personnel & Relatives				Entities in which Significant Influence Exists				Entities under common influence /control with the company				Fellow Subsidiaries				Total	
		2020-21		2019-20		2020-21		2019-20		2020-21		2019-20		2020-21		2019-20		2020-21	2019-20
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
(i) EXPENDITURE																			
a)	Rent																		
	TCL Finance Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Giri Roadlines & Commercial Trading Pvt Ltd	-	-	32	64	-	-	-	-	-	-	-	-	-	-	-	-	-	32
	Jaldi Traders & commerce house Pvt Ltd	-	-	75	150	-	-	-	-	-	-	-	-	-	-	-	-	-	75
	P. D. Agarwal Foundation	-	-	21	11	-	-	-	-	-	-	-	-	-	-	-	-	-	21
	TCL Telenet Solutions Pvt Ltd	-	-	-	-	16	36	-	-	-	-	-	-	-	-	-	-	-	16
	Gati Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	459
	ABC India Limited	1	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
	Allcargo Logistics Ltd	-	-	-	-	-	-	-	-	15	-	-	-	-	-	-	-	-	15
																			619
																			708
b) Remuneration																			
	Mahendra Agarwal	152	340	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	152
	Bala Aghoramurthy	293	304	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	293
	Adarsh Hedge	87	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	87
	Sitting Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sheela Bhide	3	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3
	R Ramachandran	3	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3
	Mohinder Pal Bansal	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
	Sushilkumar Jwarajka	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
																			538
																			653
c)	Fuel Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
																			1
d)	Freight Expenses																		
	TCL Hi-Ways Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Gati Kausar India Ltd	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18	38	-	18
	Gati Limited (Railway Expenditure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	128	-	-	128
																			18
																			166
e)	Management Fees																		
	Gati Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	150	143	-	150
	All Cargo Logistics Ltd	-	-	-	-	-	-	-	-	102	-	-	-	-	-	-	-	-	102
																			252
																			143
f)	Manpower Expenses																		
	Gati Academy	-	-	245	602	-	-	-	-	-	-	-	-	-	-	-	-	-	245
																			602
																			245
																			602

(₹ in lakhs)

Notes to Financial Statements

for the year ended March 31, 2021

50. The Company's Chief Operating Decision Maker (CODM) has identified one business segment viz. Express distribution and there is no other reporting segment.
51. Previous year's figures have been regrouped / reclassified wherever necessary to confirm to the current year's presentation.
52. The financial statement are approved for issue by the Audit Committee at its meeting held on May 18, 2021 and by the Board of Directors at its meeting held on May 18, 2021.

The accompanying significant accounting policies and notes form an integral part of the Financial Statements

As per our report of even date

For Singhi & Co.

Chartered Accountants
ICAI Firm Registration No: 302049E

Anurag Singhi

Partner
Membership no: 066274

Place: Kolkata
Date: May 18, 2021

For and on behalf of the Board of Directors

Adarsh Hegde

Chairman & Managing Director
DIN: 00035040

Rohan Mittal

Chief Financial Officer

T S Maharani

Company Secretary
M No. F8069

Place: Hyderabad
Date: May 18, 2021

If undelivered please return to :



Regd. & Corporate Office :

Gati-Kintetsu Express Private Limited

First Floor, Plot No. 20, Survey No. 12,
Kothaguda, Kondapur, Hyderabad - 500084.

Tel: 040 7120 4284, Fax: 040 2311 2318

e-mail: investor.services@gati.com

CIN: U62200TG2007PTC056311