

Notes to Financial Statements

for the Year ended March 31, 2021

1. Corporate and general information:

Gati Limited ("the Company") is a public limited company incorporated in 1995 under provisions of the 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 primarily engaged in the business of E-commerce logistics, Integrated Freight Forwarding (Domestic and International) and running of fuel stations. The company is listed in the National Stock exchange of India (NSE) and Bombay Stock exchange (BSE).

2. Basis of Accounting

2.1 Statement of Compliance

The standalone 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 standalone 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 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.

2.5 Use of Estimates and Judgements

The preparation of the Company's standalone financial statements in conformity with the recognition and measurement principles of Ind AS 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 recognised 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) Share based payments

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 asset 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 Borrowing.
- Security Deposits to be shown under the head of Other Non-Current Assets instead of Long-term Loan & 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.

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.

2.8 Property, plant and equipment

Recognition and Measurement:

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

Capital work in progress and Capital Advances:

Capital working 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

Notes to Financial Statements

for the Year ended March 31, 2021

sheet date are disclosed separately as other Non-current Assets or Other Current Asset.

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.
- Cost of leasehold land is amortised over the period of the lease or its useful life, whichever is lower.
- 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).

Derecognition of Assets:

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

2.9 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 recognised in the statement of Profit and loss.

2.10 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.

(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



Notes to Financial Statements

for the Year ended March 31, 2021

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 2.11 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 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.

2.11 Impairment 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 and assets representing investments in subsidiary and associate companies 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.

2.12 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 recognised 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

Notes to Financial Statements

for the Year ended March 31, 2021

using the exchange rates at the date when fair value was determined.

2.13 Investments in Subsidiaries and Associates :

The Company has accounted for its investments in subsidiaries and associates at cost less accumulated impairment.

2.14 Inventories:

Cost of Inventories have been computed on basis to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories are valued at lower of cost and net realizable values.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Cost are assigned to inventory on First in First out basis.

2.15 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:

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) Sales of Goods:

Revenue from sale of products is recognized when the control on the goods has been transferred to the customer.

c) Others:

I. Dividend income from investments is recognised when the right to receive payment has been established.

II. 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.

III. Rent income is recognised on a straight-line basis over the period of the lease.

2.16 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.

▪ Financial assets at amortised cost:

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

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



Notes to Financial Statements

for the Year ended March 31, 2021

The effective interest rate (EIR) amortisation 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 other comprehensive income (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) **Subsequent measurement**

For purposes of subsequent measurement:

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

(ii) **Financial Liability:**

Financial liabilities are classified and measured at amortised 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 recognised in Statement of Profit and Loss.

- (b) The asset's contractual cash flows represent SPPI.

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

▪ **Financial assets at fair value through profit or loss (FVTPL):**

All financial assets which are not classified/ measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

▪ **Financial liabilities at amortised cost:**

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

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying

Notes to Financial Statements

for the Year ended March 31, 2021

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 recognised 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 recognised less cumulative amortisation.

(iii) Impairment of Financial Assets:

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

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

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime Expected credit loss 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) Derecognition:

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

(v) Offsetting instruments:

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.

2.17 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

Notes to Financial Statements

for the Year ended March 31, 2021

on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3- Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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 recognised 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.

Remeasurements 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 recognised 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 recognised 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 recognised 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 recognised 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. Remeasurements as a result of experience adjustments

Notes to Financial Statements

for the Year ended March 31, 2021

and changes in actuarial assumptions are recognised 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 recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

2.19 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.

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 utilized.

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.

2.20 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.

2.21 Provisions and Contingencies:

Provisions are recognised 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.

2.22 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.



Notes to Financial Statements

for the Year ended March 31, 2021

2.23 Share based payments:

Equity- settled share-based payments to employees are measured at the fair value of the employee stock options at the grant date.

The fair value of option at the grant date is expensed over the vesting period with a corresponding increase in equity as "Share Option outstanding account". In case of forfeiture of unvested option, portion of amount already expensed is reversed. In a situation where the vested option forfeited or expires unexercised, the related balance standing to the credit of the "Share Option outstanding account" are transferred to the "General Reserve". When the options are exercised, the Company issues new fully paid up equity shares of the Company. The proceeds received and the related balance standing to credit of the Share Option outstanding account, are credited to equity share capital (nominal value) and Securities Premium.

2.24 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.

2.25 Earnings per share:

(i) Basic earnings per share

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

(ii) Diluted earnings per share:

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

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

Notes to Financial Statements

for the Year ended March 31, 2021

3A. Property, Plant and Equipment

Tangible Assets

Particulars	Gross Block				Depreciation				Net Carrying Value As at March 31, 2021	
	As at March 31, 2020	Additions	Deductions/ Adjustment	Assets reclassified to held for Sale	As at March 31, 2021	For the year	Deductions/ Adjustment	Assets reclassified to held for Sale		As at March 31, 2021
Freehold Land	21,414	-	6,516	12,722	2,176	-	-	-	-	2,176
Buildings	2,854	-	533	1,727	594	46	87	178	102	492
Vehicles	223	14	29	-	208	28	(2)	-	95	113
Plant & Machinery	310	-	-	-	310	20	-	-	112	198
Computers	804	-	-	-	804	32	-	-	787	18
Furniture & Fittings	563	-	-	-	563	30	-	-	405	158
Office Equipments	104	-	-	-	104	7	-	-	90	14
TOTAL	26,272	14	7,078	14,449	4,759	163	85	178	1,591	3,169

Particulars	Gross Block				Depreciation				Net Carrying Value As at March 31, 2020	
	As at March 31, 2019	Additions	Deductions/ Adjustment	Assets reclassified to held for Sale	As at March 31, 2020	For the year	Deductions/ Adjustment	Assets reclassified to held for Sale		As at March 31, 2020
Freehold Land	22,666	-	184	1,069	21,414	-	-	-	-	21,414
Buildings	4,763	-	401	1,507	2,854	76	45	160	321	2,533
Vehicles	558	84	419	-	223	30	411	-	65	158
Plant & Machinery	403	-	1	92	310	26	1	33	92	218
Computers	844	22	62	-	804	57	62	-	755	50
Furniture & Fittings	1,383	18	151	686	563	98	84	359	375	188
Office Equipments	482	10	79	309	104	35	78	262	83	20
TOTAL	31,099	134	1,297	3,663	26,272	322	681	814	1,691	24,581

Notes:

- Refer Note 19 for information on Property, Plant and Equipments pledged as securities by the Company.
- The Company has not capitalized any borrowing cost during the year. (March 31, 2020 - Nil)
- Refer Note 16 for detailed information on assets held for sale.

Notes to Financial Statements

for the Year ended March 31, 2021

3B. Right of use Assets (ROU)

Particulars	Gross Block				Depreciation				Net Carrying Value As at March 31, 2021	
	As at March 31, 2020	Additions	Deductions/Adjustment	Assets reclassified to held for Sale	As at March 31, 2021	Depreciation for the year	Deductions/Adjustment	Assets reclassified to held for Sale		As at March 31, 2021
Leasehold Land	1,034	-	-	123	911	66	11	-	68	843
Buildings	107	-	39	-	68	36	14	21	29	39
Total	1,141	-	39	123	979	102	25	21	97	882

Particulars	Gross Block			Depreciation			Net Carrying Value As at March 31, 2020
	As at April 1, 2019	Additions	Deductions/Adjustment	As at April 1, 2019	For the year	Deductions/Adjustment	
Leasehold Land	1,034	-	-	55	11	-	66
Buildings*	-	107	-	-	36	-	36
Total	1,034	107	-	55	47	-	1,039

* Opening balances reclassified on adoption of Ind AS 116.

Notes:

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

Notes to Financial Statements

for the Year ended March 31, 2021

4. Investment in Subsidiaries

	As at March 31, 2021		As at March 31, 2020	
	Numbers / Units	Amount	Numbers / Units	Amount
(₹ In Lakhs)				
Investments measured at Cost				
Equity Instrument (Unquoted)				
Investment in Subsidiaries				
Gati Asia Pacific Pte Ltd. of \$1 (SGD) each (Refer Note 50)	-	-	88,65,829	3,510
Less: Impairment Allowance	-	-	-	(3510)
	-	-	-	-
Zen Cargo Movers Pvt. Ltd. of ₹10/- each	3,62,163	36	3,62,163	36
Less: Impairment Allowance	-	(36)	-	(36)
	-	-	-	-
Gati Kausar India Ltd. of ₹10/-each (25,62,826 (Previous year: 25,62,826 shares) shares pledged with institution as security for bonds issued by Gati Kausar India Ltd.)	52,12,526	4,014	52,12,526	4,014
Less: Impairment Allowance	-	(4014)	-	(4014)
	-	-	-	-
Gati Import Export Trading Ltd. of ₹10/- each	23,00,000	230	23,00,000	230
Less: Impairment Allowance	-	(120)	-	-
Total (A)		110		230
Gati Kintetsu Express Pvt Ltd. of ₹10/- each	3,50,000	55,255	3,50,000	55,256
Gati Logistics Parks Private Ltd. of ₹10/- each (Refer Note 53)	10,000	1	10,000	910
Gati Projects Private Ltd. of ₹10/- each	10,000	1	10,000	1
Total (B)		55,257		56,167
Grand Total (A+B)		55,367		56,397

Aggregate amount of Unquoted Investments and Impairment allowance of Investments are given as below:

	As at	
	March 31, 2021	March 31, 2020
(₹ In Lakhs)		
Aggregate carrying cost of Unquoted Investments (Net of Impairment allowance)	55,367	56,397
Aggregate Impairment Allowance	4,170	7,560

5. Investments

	As at March 31, 2021		As at March 31, 2020	
	Numbers / Units	Amount	Numbers / Units	Amount
(₹ In Lakhs)				
Investments at Fair Value through Profit and Loss				
1. Investments in Equity Instruments (Unquoted)				
Brown Tape Technology Pvt Ltd of ₹10 /- each {Refer Note 38(II)}	-	-	14,451	-
Total		-	-	-
2. Investments in Preference shares:				
0.001% Compulsory convertible cumulative preference share of Brown Tape Technology Pvt Ltd. of ₹20/- each {Refer Note 38(II)}	-	-	4,256	-
3. Investments in Optionally Convertible Debentures:				
14.5% Unsecured OCD of Amrit Jal Ventures Pvt Ltd. of ₹100 /- each	-	-	-	-
14.5% Unsecured OCD of Gati Infrastructure Sada-Mangder Power Pvt Limited of ₹100/- each	-	-	-	-
Total		-	-	-

Notes to Financial Statements

for the Year ended March 31, 2021

Aggregate amount of Quoted and Unquoted Investments, Market value of Quoted Investments are given as below:

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Aggregate Market Value of Quoted Investments	-	-
Aggregate carrying cost of Quoted Investments	-	-
Aggregate carrying cost of Unquoted Investments	-	-

Note:

Based on the valuation being done internally/ by independent agencies the valuation for Investments at Fair Value through Profit and Loss is considered to be Nil (Previous year Nil)

6. Loans

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good		
Security Deposits	-	5
Secured, Considered good		
Loan to Subsidiary (Refer Note 52)	-	1,790
Total	-	1,795

7. Deferred tax Assets (Net)

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Deferred Tax Asset		
Allowance for Doubtful Receivables & Loans	454	429
Deferred Tax Liability		
Property, Plant and Equipment	(400)	(361)
Others	(54)	(68)
Total	-	-

Note:

Deferred tax asset arising on account of business loss, allowance for doubtful receivables and advances, allowance for impairment of investments etc. has been recognised in books only to the extent of deferred tax liability. The reason for non recognition of deferred tax asset is due to carry forward losses and possible future capital gain on investments not being available for set off.

8. Other non-current assets

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Capital Advance	115	115
Less: Provision for capital Advance	(100)	(100)
	15	15
Deferred employee stock option compensation	-	1
Balances with statutory Authorities	137	137
Prepaid Expenses	8	24
Others	94	-
Total	254	177

Notes to Financial Statements

for the Year ended March 31, 2021

9. Inventories

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
(At lower of cost or Net realisable value)		
Stock in Trade	331	202
Total	331	202

Note: No inventories were pledged as security for liabilities during the year and comparable year.

10. Current Investments

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Investment at Fair value through Profit & Loss (Quoted)		
ICICI Pru Liquid Fund-Growth: Nil (31 March 2020: 688674) Units	-	2,014
IDFC Money Manager Fund-Regular - Growth: Nil (31 March 2020: 3305779) Units	-	1,010
Kotak Liquid Fund-Regular- Growth: Nil (31 March 2020: 50321) Units	-	2,013
L&T Money Market Fund-Regular - Growth: Nil (31 March 2020: 10124531) Units	-	2,014
PGIM India Insta Cash Fund - Growth: Nil (31 March 2020: 284301) Units	-	731
Total	-	7,782

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Aggregate Market Value of Quoted Investments	-	7,782
Aggregate carrying cost of Quoted Investments	-	7,720

11. Trade receivables

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Unsecured		
Considered Good	837	2,122
Credit Impaired	1,174	1,032
	2,011	3,154
Less: Allowance for Doubtful Receivables (Refer Note - 43C)	(1,174)	(1,032)
Total	837	2,122

Note:

- i) No trade or other receivables are due from directors or 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 no. 47 of related party transactions
- iii) Trade receivables are non interest bearing and are generally on terms of 30 to 90 days

Notes to Financial Statements

for the Year ended March 31, 2021

12A. Cash and Cash Equivalents

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Cash on hand	18	39
Balance with Banks:		
In Current Accounts	1,003	989
Total	1,021	1,028

12B. Bank Balances other than 12A above

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
In earmarked accounts		
Deposits with original maturity of more than three months and less than twelve months	203	462
Unpaid Dividend account	86	92
Total	289	554

13. Loans

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered Good, unless otherwise stated		
Loans to others	38	18
Loan receivable with credit Impaired from subsidiary	164	164
Less: Allowance for Doubtful Loans	(164)	(164)
	38	18
Secured, Considered Good		
Loan to Subsidiary (Refer note: 52)	2,001	-
Less: Allowance for Doubtful Loans	(1242)	-
	759	-
Total	797	18

14. Other Financial assets

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
(Unsecured, Considered good unless otherwise stated)		
Accrued Interest on Deposits, Loans & investments, etc.	2,166	2,171
Less: Allowance for Doubtful receivables	(2157)	(2157)
	9	14
Other Advances receivable (Refer Note: 48 & 49)	2,537	2,750
Less: Allowance for Doubtful receivables	(2319)	(60)
	218	2,690
Total	227	2,704

Notes to Financial Statements

for the Year ended March 31, 2021

15. Other current assets

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
(Unsecured, Considered good unless otherwise stated)		
Operational Advance	134	260
Less: Provision for Operational Advance	(18)	(18)
	116	242
Prepaid Expenses	9	13
Balances with statutory Authorities	116	58
Others	-	35
Total	241	348

16. Assets classified - held for sale

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
A) Property, Plant & Equipment		
Land & Building	6,968	2,416
Plant & Machinery	59	59
Furniture & Fixtures	327	327
Office Equipment	47	47
Total	7,401	2,849

Note- Refer Note 19 for information on Property, Plant and Equipments pledged as securities by the Company.

B) Investments

	As at March 31, 2021		As at March 31, 2020	
	Number/Units	Amount	Number/Units	Amount
a) Investment in an Associate				
Gati Ship Ltd. of ₹10/- each	48,00,000	8,623	48,00,000	8,623
Less: Impairment Allowance		(8,623)		(8,623)
Total (a)		-		-
b) Investments in Optionally Convertible Debentures: (Unquoted)				
14.5% Unsecured OCD of Amrit Jal Ventures Pvt Ltd. of ₹100 /- each	34,57,236	-	34,57,236	-
14.5% Unsecured OCD of Gati Infrastructure Sada-Mangder Power Pvt Limited of ₹100/- each	9,93,354	-	9,93,354	-
Total (b)		-		-
Grand Total (a+b)		-		-

The Board has approved the disposal of the above Property Plant & Equipment and investments and transaction is expected to complete within the near term.



Notes to Financial Statements

for the Year ended March 31, 2021

17. Equity Share Capital

(₹ In Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
Authorized:				
Equity Shares of ₹2/- each	17,50,00,000	3,500	12,50,00,000	2,500
Redeemable Preference Shares ₹100/- each	-	-	5,00,000	500
		3,500		3,000
Issued:				
Equity Shares of ₹2/- each fully paid up	12,19,45,977	2,439	12,19,45,977	2,439
		2,439		2,439
Subscribed and Paid-up:				
Equity Shares of ₹2/- each fully paid up	12,19,45,977	2,439	12,19,45,977	2,439
		2,439		2,439

a) Terms /Rights attached to Shareholder

The Company has only one class of issued shares i.e. Equity Shares having par value of ₹2/- per share. Each holder of Equity Shares is entitled to one vote per share and ranks pari passu. The dividend proposed by the Board of Director is subject to the approval of shareholder in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

b) Reconciliation of equity shares outstanding at the beginning and at the end of the year:

(₹ In Lakhs)

Equity Shares of ₹2 each fully paid	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning of the year	12,19,45,977	2,439	10,85,42,137	2,171
Shares issued on exercise of Employee Stock Option Scheme	-	-	70,500	1
Share issued on allotment	-	-	1,33,33,340	267
Shares at the end of the year	12,19,45,977	2,439	12,19,45,977	2,439

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

Name of Share holder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity Shares of ₹2 each fully paid held by				
Allcargo Logistics Limited	5,71,45,955	46.86%	2,54,03,340	20.83%
Bay Capital India Fixed Income Fund Ltd.	-	-	68,85,335	5.65%
Mr. Mukul Mahavir Agrawal	63,01,596	5.17%	-	-
Total	6,34,47,551	52.03%	3,22,88,675	26.48%

d) Equity Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment as at the Balance Sheet date:

i) No options (Equity Shares of ₹2 each) are reserved under employee stock option scheme as on March 31, 2021 (Previous year 1,11,000 as on March 31, 2020).

(₹ In Lakhs)

Equity Shares of ₹2 each fully paid	As at March 31, 2021		As at March 31, 2020	
	No. of Equity Shares to be issued as fully paid up	Amount	No. of Equity Shares to be issued as fully paid up	Amount
Employee stock option granted and Outstanding	-	-	1,11,000	2
Total	-	-	1,11,000	2

Notes to Financial Statements

for the Year ended March 31, 2021

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

18. Other Equity

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
a) Securities Premium	34,100	34,100
b) General Reserve	8,785	8,740
c) Capital Reserve	2,084	2,084
d) Tonnage Tax Reserve (Utilised)	929	929
e) Share Option Outstanding account	-	45
f) Special Reserve	22,336	22,336
g) Retained Earning	(8,227)	9,333
Total Other Equity	60,007	77,568

A The Description, Nature and Purpose of each reserve under other equity are as follows

- a) **Securities Premium:** Securities premium represents the premium on issue of equity shares. The same can be utilised in accordance with the provisions of the Companies Act, 2013.
- b) **General Reserve:** This 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.
- c) **Capital Reserve:** Capital Reserve includes amount received on allotment of convertible warrants was forfeited and transferred to Capital Reserve Account.
- d) **Tonnage Tax Reserve (Utilised):** This reserve is a statutory reserve which is created and will be utilized in accordance with the provisions of Section 115VT of Income tax Act 1961 to comply with the provisions of 'Tonnage Tax Scheme' under Chapter XII-G.
- e) **Share option outstanding account:** The share option outstanding account is used to record the value of equity- settled share based payment transactions with employees. The amount recorded in the share option outstanding account are transferred to securities premium upon exercise of stock options by employees.
The amount outstanding in the "Share Option Outstanding account" has been transferred to "General Reserve", when the options are lapsed / cancelled.
- f) **Special Reserve:** The Hon'ble Andhra Pradesh High Court, approved the Scheme of Arrangement for amalgamation. ("The Scheme") vide its Order dated March 19, 2013 which interalia, permits creation of a capital reserve to be called Special Reserve to which shall be credited excess of value of assets over value of liabilities on amalgamation of the subsidiaries amounting to ₹55,554 Lakhs to be utilized by the Company to adjust therefrom any capital losses arising from transfer of assets and certain other losses, any balance remaining in the Special Reserve shall be available for adjustment against any future permanent diminution in the value of assets and exceptional items etc. as specified in the Scheme as the Board of directors may deem fit.
- g) **Retained Earnings:** Retained earnings comprise of net accumulated profit/(loss) of the company, after declaration of dividend.

Notes to Financial Statements

for the Year ended March 31, 2021

19. Non Current Borrowings

(₹ In Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Non- Current	Current	Non- Current	Current
Secured				
i) Term Loan From Banks	854	488	3,267	2,300
ii) Term Loan From Financial Institutions	-	2	818	594
Sub Total (A)	854	490	4,085	2,894
Unsecured				
Fixed deposits from public	406	256	515	753
Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note: 25)		(746)		(3647)
Sub Total (B)	406	(490)	515	(2894)
Total (A+B)	1,260	-	4,600	-

Bank Name	ROI	No of O/S Instalments	Instalment Amount	Starting Date	Outstanding (₹ in lakhs)	Nature of Security /Pledge
Kotak Mahindra Bank Ltd-Loan II	MCLR + 100 BPS	23/Monthly	40	25-04-2018	931	Note (A)
Kotak Mahindra Bank Ltd- GECL loan	8.00%	48/Monthly	8	25-02-2022	388	Note (B)
Vehicle Loan	9.00%	EMI		01-08-2013	30	Note (C)
Unwinding interest on term loan					(5)	

Nature of Security/Pledge

- A) First and exclusive charge by way of mortgage of Immovable property situated at Samalka, New Delhi, which is classified as held for sale during the year.
- B) The collateral being second charge on all primary and collateral securities available for the existing facilities with the bank.
- C) Hypothecated against vehicle Loans.

20. Lease Liabilities

(₹ In Lakhs)

	As at March 31, 2021		As at March 31, 2020	
	Non- Current	Current	Non- Current	Current
Lease Liabilities (Refer Note: 39)	32	15	47	30
Total	32	15	47	30

21. Other financial liabilities (Non Current)

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Interest accrued but not due on borrowings	24	22
Security Deposit	-	46
Total	24	68

22. Non Current Provisions

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Employee Benefits		
Leave Encashment	8	32
Total	8	32

Notes to Financial Statements

for the Year ended March 31, 2021

23. Current Borrowings

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Secured		
Working Capital facilities		
From banks	-	2,104
Total	-	2,104

24. Trade Payables

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
For Goods and Services		
Total Outstanding dues of micro and small enterprises (Refer Note No: 41)	-	-
Total Outstanding dues of creditors other than micro and small enterprises	365	4,548
Total	365	4,548

25. Other financial liabilities

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Current Maturities of Long-term Borrowings (Refer Note. 19)	746	3,647
Security Deposits	804	963
Corporate Guarantee Obligation	3	6
Interest accrued but not due on Borrowings	30	126
Unpaid Dividends*	86	92
Employee benefits Liabilities	121	242
Unpaid matured deposits and interest accrued thereon	93	116
Liability towards guarantee invoked	2,360	2,360
Others	736	726
Total	4,979	8,278

(*)Due to technical issues the company could not transfer the unclaimed dividend amount of ₹7 lakhs to Investor Education and protection fund pertaining to the financial year 2012-13. The said amount has been transferred to Investor education and protection Fund post balance sheet date.

26. Other current liabilities

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Statutory dues payable	54	104
Other Advances	2	2
Total	56	106

27. Current Provisions

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Employee Benefits		
Leave Encashment	3	5
Total	3	5

Notes to Financial Statements

for the Year ended March 31, 2021

28. Revenue from Operations

(₹ In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Sale of Services		
Freight, Ecommerce, Demurrage and Miscellaneous services	2,666	14,517
Sale of Products		
Sale of Diesel, Petrol and Lubricants	24,480	27,448
Total (A)	27,146	41,965
Other Operating Revenue		
Management Fee from Subsidiaries	159	160
Other Recoveries	140	389
Total (B)	299	549
Grand Total (A+B)	27,445	42,514

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

(₹ In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue based on product & services		
a) Express Distribution	2,666	16,258
b) Fuel Stations	24,480	25,707
c) Other Operating Revenues	299	549
Total	27,445	42,514
Revenue based on Geography		
India	27,445	42,514
Overseas	-	-
	27,445	42,514
Reconciliation of Revenue from Operation with contract price		
Revenue as per contract price	27,278	42,566
Less:		
Credit Note	(84)	(428)
Unsatisfied Performance Obligation	(48)	(173)
Revenue from Operations	27,146	41,965

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 31st March 2021 is ₹48 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.

B. Contract Balances

(₹ In Lakhs)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contract Assets	10	9
Trade Receivables	2,011	3,154
Less: Impairment allowances	(1,174)	(1,032)
Total	837	2,122

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

for the Year ended March 31, 2021

29. Other Income

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest Income on		
Deposit with Bank	73	96
Unwinding of other financial assets carried at amortised cost	211	177
Refund of Income tax	31	86
Dividend Income		
From Subsidiary	-	756
Other Non Operating Income		
Rental Income	629	613
Net Foreign Exchange Gain	-	7
Net Gain on disposal of Property, plant & equipment	-	51
Net Gain on sale of investments(*)	111	-
Liabilities no longer required written back	27	108
Gain on Sale of Mutual Funds	80	-
Net Gain on Investments measured at FVTPL	-	62
Others	43	81
Total	1,205	2,037

(*) Gain of ₹111 lakhs has been recognised on the disposal of investment in the Brown Tape Technology Private Limited. No gain has been recognized during the current financial year for additional consideration which is not virtually certain (Refer note 38(II)).

30. Operating Expenses

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Freight	2,114	12,087
Claims for Loss & Damages (Net)	373	284
Other Operating Expenses	172	320
Total	2,659	12,691

31. Changes in Inventories of Stock-in-Trade

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Opening Stock:		
Stock-in-trade	202	274
	202	274
Less: Closing Stock		
Stock-in-trade	331	202
	331	202
(Increase) / Decrease in Inventories of Stock-in-trade	(129)	72

32. Employee benefits expense

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, Wages & Bonus	568	2,190
Contribution to Provident and Other Funds	66	144
Staff Welfare Expenses	20	72
Expenses on Employee Stock Option scheme	1	(9)
Total	655	2,397

Notes to Financial Statements

for the Year ended March 31, 2021

33. Finance Costs

(₹ In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest Expense on		
Term Loans and Working Capital facilities	522	1,082
Public Deposits	104	130
Lease Liabilities	7	13
Tax Matters	-	10
Others Borrowing Cost	36	20
Total	669	1,255

34. Depreciation and amortization expense

(₹ In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on Property, Plant and Equipment (Refer Note: 3A)	163	321
Depreciation on Right to use Asset (Refer Note: 3B)	25	47
Total	188	368

35. Other expenses

(₹ In Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
Rent	20	133
Rates and Taxes	26	53
Repairs and Maintenance	14	139
Insurance	24	30
Telephone expenses	18	70
Printing and Stationery	6	40
Travelling expenses	8	86
Electricity	13	30
Professional and Legal expenses	382	289
Bank Collection charges	23	115
Donations	-	15
Corporate Social Responsibility Expenditure (Refer Note 35.1)	30	3
Directors Sitting fees	18	31
Remuneration to Auditors [Refer Note: 35.2]	12	27
Allowance for advances	-	118
Capital work-in-progress written off & Other advance written off	-	72
Allowance for Doubtful Receivables	423	174
Bad debts and irrevocable balances written off	281	59
Less: Provision for loss allowances recognised in earlier years	(281)	(18)
Impairment allowance for Investment	-	760
Investment Write-off	-	1,875
Less: Provision for Investment recognised in earlier years	-	(1,875)
Management Fee	180	433
Net Foreign Exchange gain/ (loss)	9	-
Service tax Amnesty Scheme	-	382
Miscellaneous expenses	159	303
Total	1,365	3,344

Notes to Financial Statements

for the Year ended March 31, 2021

35.1 Corporate Social Responsibility Expenditure

- (a) During the year, the company has incurred ₹30 lakhs (previous year ₹3 lakhs) on account of Corporate Social Responsibility (CSR) included under Other Expenses.
- (b) Gross Amount required to be spent by the company during the year is ₹30 lakhs.
- (c) Amount of ₹30 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, 2021	Year ended March 31, 2020
i) Construction/Acquisition of any asset	-	-
ii) On purpose other than (i) above	30	3
	30	3

- (e) **Unspent Amount:**

Particulars	(₹ In Lakhs)
Opening Balance as on April 01, 2020	194
Amount deposited in specified fund of schedule VII within 6 months	-
Amount required to be spent during the year	30
Amount spent during the year	(30)
Closing Balance as on March 31, 2021	194

35.2 Payment to auditor (Excluding Goods and Services Tax)

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Statutory Audit fees	8	8
Taxation Matters	-	4
Certification fees and other services	4	15
	12	27

36. Exceptional Items

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Loss on Asset Held for Sale Classification - Land & Building	9,833	-
Loss on disposal of Asset held for sale	1,420	-
Net Loss on Sale of Property, plant & equipment	221	-
Allowance for advances (Refer note:48, 49 & 52)	3,498	-
Investment Written down (Refer Note: 53)	909	-
Impairment allowance for Investment (Refer Note: 54)	120	-
Total	16,001	-

Notes to Financial Statements

for the Year ended March 31, 2021

The Exceptional items (non-cash, non-recurring) of ₹16,001 lakhs represents;

- Diminution amounting to ₹11,473 lakhs 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".
- Overdue advances amounting to ₹1,849 Lakhs given to few parties in previous years have been fully provided in the current Financial year.
- Provision of ₹1,242 lakhs on account of fair value of the land, given as security by wholly owned subsidiary (Gati Logistics Parks Limited), against the interest free loan given by the Company to its wholly owned subsidiary in previous years amounting to ₹2,001 Lakhs.
- Gati Import Export Trading Limited (GIETL), a wholly owned subsidiary of the Company, has scaled down its operations in FY 2021 due to change in market dynamics. Company's investment in GIETL has been impaired to the extent of ₹120 lakhs.
- The value of company's investment in a wholly owned subsidiary i.e. Gati Logistic Parks Limited has been written down to the extent of ₹909 lakhs.
- Past receivable of ₹410 lakhs from Air India remains sub-judice before Hon'ble High Court of New Delhi. Same has been provided for during the current Financial year.

37. TAX EXPENSES

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Income Tax recognised in Statement of Profit and Loss		
Current Tax	-	-
Deferred Tax	-	-
Taxes related to earlier years (Refer Note 38 (f))	1,053	3,631
Total	1,053	3,631

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

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Profit/(Loss) before Tax (After Exceptional Items)	(16,578)	(2,151)
Applicable Tax Rate	34.94%	34.94%
Tax Expense*	(5,793)	(752)
Tax Effect of:		
Non-deductible expenses for tax purpose	5,464	17
Expenses allowable for tax purposes	(344)	(286)
Other differences (Including effect of non recognition of Deferred Tax Asset)	673	1,021
Income tax recognised in profit or loss	-	-
Effective Tax Rate*	0%	0%

* Excludes effect of adjustment of ₹1,053 Lakhs (previous year ₹3,631 Lakhs) on account of tax related to earlier year

37.2 Under the new section of Income tax Act 115BBA of the Income Tax Act, 1961 as introduced by the Taxation laws (Amendment) Ordinance, 2019 the Company has an Option to avail of the reduced tax rate. The Company has significant MAT credit pertaining to previous years as of date. Hence the company will consider the matter after availing the MAT credit in future.

Notes to Financial Statements

for the Year ended March 31, 2021

38. 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 Nil, previous year - ₹990 Lakhs)*	2,442	4,107
(ii) Indirect Tax demand disputed in appeals (Includes amount paid under protest ₹11 Lakhs, previous year - ₹11Lakhs)	4,445	4,445
(iii) Others	147	407
Total	7,034	8,959

(i) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments / decisions pending with various forums / authorities.

(ii) 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 material adverse effect on its financial position. Also, the Company does not expect any reimbursement in respect of the above contingent liabilities.

(* Subsequently, Company has paid ₹65 lakhs under protest against the Income tax demand of ₹321 lakhs for the assessment year 2018-19, which is included in the above shown contingent liability.

(b) Bank Guarantee	-	20
Note - Bank Guarantee is issued to meet certain business obligations towards govt agencies		
(c) Corporate Guarantee outstanding	376	3,933
Note - Corporate guarantee given to Subsidiary companies.		

(d) There has been a Supreme Court (SC) judgement dated February 28, 2019, relating to components of salary structure that needs 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.

(e) 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.

(f) Income Tax:

i) The Company has filed an application under The Direct Tax Vivad se Vishwas Act, 2020 ('the Scheme') related to Assessment year 2013-14. The income tax department accepted the companies' application with tax liability of ₹1,332 Lakhs under MAT provisions and necessary provision has been made in accounts during the year. This results in reduction of contingent liability by ₹2,111 Lakhs and there is no cash out flow on this matter as refund pertaining to earlier years has been adjusted by the department.

Notes to Financial Statements

for the Year ended March 31, 2021

- ii) On a critical and objective reappraisal of the income tax demands for various years under appeal, the company based on expert legal opinion from a law firm, decided to take advantage under "The Direct Tax Vivad se Vishwas Act, 2020 (the scheme)". The company estimated that if an application is made and accepted by income tax department the cash out flow would be ₹3,535 Lakhs and the same was provided in books in FY - 2019-20. Subsequently the Department accepted the applications of the company and the tax liability was assessed at ₹3,257 lakhs. Hence, the excess provision of ₹278 lakhs was reversed during the year and the company also discharged the liability of ₹1,000 lakhs against the liability provided under VsV Scheme. The following amounts are due which has to be paid by 30/06/2021 without any additional payment. The following amounts are to be paid by 30/06/2021.

Assessment Year	Appeal	Tax payable under Vivad se Vishwas (₹ In Lakhs)
2009-10	Department's appeal before Income Tax Appellate Tribunal	408
2012-13	Department's appeal before Income Tax Appellate Tribunal	1672
2015-16	Taxpayer's appeal before Commissioner of Income Tax	177
Total cash outflow		2257

(II) Contingent Assets

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Additional consideration on the disposal of investment in Brown Tape Technology Pvt Ltd*	56	-
	56	-

(* In respect of the disposal of investment in Brown Tape Technology Private Limited during the current financial year (Refer Note 29), additional consideration will be payable to the company if the future performance of Brown Tape Technology reaches to a specified revenue level. Recognition of additional consideration which is not virtually certain, is dependent on the aggregate specified revenue of Brown Tape Technology for the 18-months period ending July 2022.

39. Leases

- (a) The Company has lease contracts for certain items of Land & 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)	
	As at March 31, 2021	As at March 31, 2020
Lease liabilities at the beginning of the year	77	-
Additions	-	107
Deletions	(18)	-
Interest cost accrued during the year	7	13
Payment of lease liabilities	(19)	(43)
Lease liabilities at the end of the year	47	77

(c) Amount recognized in Profit or Loss

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Interest expense on lease liabilities	7	13
Depreciation expense of right-of-use assets	25	47
Expense relating to short term leases (included in other expenses)	20	133
	52	193

(d) Amounts recognised in the statement of cash flow

	19	43
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Notes to Financial Statements

for the Year ended March 31, 2021

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

	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Not later than one year	20	39
Later than one year but not later than five years	37	59
Later than five years	-	-
Total	57	98
Current lease liabilities	15	30
Non-current lease liabilities	32	47
Total Lease liabilities	47	77

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.

40. 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		
Defined benefit asset - Gratuity Plan	132	148
Defined benefit obligation - Gratuity Plan	38	113
Net employee benefit (liabilities) / Asset	94	35

Defined contribution

The expense for defined contribution plans amounted to ₹66 Lakhs and ₹144 Lakhs for the year ended March 31, 2021 and March 31, 2020 respectively. Out of these, ₹20 Lakhs (31 March 2020 ₹122 Lakhs) pertains to provident / pension funds and ₹(33) Lakhs (March 31, 2020 ₹2 Lakhs) pertains to superannuation fund plan.

Defined benefits - Gratuity

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

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

The Company expects not to contribute to Gratuity Fund in the next year, as the company has surplus balance.

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.

Notes to Financial Statements

for the Year ended March 31, 2021

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):

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
(I) Reconciliation of present value of defined benefit obligation		
(a) Balance at the beginning of the year	113	130
(b) Current service cost	14	13
(c) Interest cost	7	10
(d) Benefits paid	(25)	(11)
(e) Actuarial (gains)/ losses recognised in other comprehensive income	-	-
change in demographic assumptions	2	-
change in financial assumptions	3	6
experience adjustments	(76)	(35)
Balance at the end of the year	38	113
(II) Reconciliation of present value of plan assets		
(a) Balance at the beginning of the year	148	192
(b) Investment Income	10	14
(c) Return on plan assets, excluding amount recognised in net interest expense	(1)	(3)
(d) Contributions by the employer	-	75
(e) Benefits paid	(25)	(11)
(f) Fund Transfer adjustment	-	(119)
Balance at the end of the year	132	148
(III) Net asset/ (liability) recognised in the Balance Sheet		
(a) Present value of defined benefit obligation	(38)	(113)
(b) Fair value of plan assets	132	148
Net defined benefit Asset/(obligations) in the Balance Sheet	94	35
(IV) Expense recognised in Statement of Profit or Loss		
(a) Current service cost	14	13
(b) Past Service Cost	-	-
(c) Interest Income (Net)	(3)	(5)
Amount charged to Profit or Loss	11	8
(V) Remeasurements recognised in Other Comprehensive Income		
(a) Actuarial gain / (loss) on defined benefit obligation	72	28
(b) Return on plan asset excluding interest income	(1)	(3)
Amount recognised in Other Comprehensive Income	71	25
(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	5.52%	6.50%
(b) Future salary growth	6%	4%
(c) Retirement age (years)	58	58
(d) Withdrawal rates	25%	9%
(e) Mortality rate (% of IALM 2012-14)	100%	100%

Notes to Financial Statements

for the Year ended March 31, 2021

(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)	(1)	1	(7)	7
(b) Future salary growth (1% movement)	1	(1)	7	(6)
(c) Withdrawal assumption (1% movement)	0	0	1	(1)

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)

Expected cash flows over the next (Valued on undiscounted cash flows)	As at March 31, 2021	As at March 31, 2020
1 year	9	16
2 to 5 years	25	57
6 to 10 years	9	53
More than 10 years	2	56

The company expects to contribute ₹9 Lakhs to the fund during the subsequent year

41. 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	-	-
Interest due on above	-	-
Total	-	-
(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 and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. There are no dues unpaid to Micro and Small Enterprises as on March 31, 2021.

42. Dividend

(₹ In Lakhs)

	As at March 31, 2021	As at March 31, 2020
Dividend on equity shares paid during the year including Tax	-	892
Final Dividend for the FY 2020-21 [Nil (Previous year ₹ 0.80) per equity share of ₹ 2 each]	-	892

Proposed Dividend:

No Dividend has been proposed with the objective to conserve cash to be deployed for business post Covid -19



Notes to Financial Statements

for the Year ended March 31, 2021

43. Financial instruments - fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2021, including their levels in the fair value hierarchy.

(₹ in Lakhs)

Particulars	Carrying amount				Fair value				
	FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities- amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in Mutual funds	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Loans	-	-	797	-	797	-	-	-	-
Trade receivables	-	-	837	-	837	-	-	-	-
Cash and cash equivalents	-	-	1,021	-	1,021	-	-	-	-
Other bank balances	-	-	289	-	289	-	-	-	-
Other financial assets	-	-	227	-	227	-	-	-	-
	-	-	3,171	-	3,171	-	-	-	-
Financial liabilities not measured at fair value									
Borrowings	-	-	-	2,006	2,006	-	-	-	-
Trade payables	-	-	-	365	365	-	-	-	-
Other financial liabilities	-	-	-	4,257	4,257	-	-	-	-
Lease Liabilities	-	-	-	47	47	-	-	-	-
	-	-	-	6,675	6,675	-	-	-	-

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2020, including their levels in the fair value hierarchy.

(₹ in Lakhs)

Particulars	Carrying amount				Fair value				
	FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities- amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in Mutual funds	7,782	-	-	-	7,782	7,782	-	-	7,782
	7,782	-	-	-	7,782	7,782	-	-	7,782
Financial assets not measured at fair value									
Loans	-	-	1,813	-	1,813	-	-	-	-
Trade receivables	-	-	2,122	-	2,122	-	-	-	-
Cash and cash equivalents	-	-	1,028	-	1,028	-	-	-	-
Other bank balances	-	-	554	-	554	-	-	-	-
Other financial assets	-	-	2,704	-	2,704	-	-	-	-
	-	-	8,222	-	8,222	-	-	-	-
Financial liabilities not measured at fair value									
Borrowings	-	-	-	10,351	10,351	-	-	-	-
Trade payables	-	-	-	4,548	4,548	-	-	-	-
Other financial liabilities	-	-	-	4,699	4,699	-	-	-	-
Lease liabilities	-	-	-	78	78	-	-	-	-
	-	-	-	19,676	19,676	-	-	-	-

Notes to Financial Statements

for the Year ended March 31, 2021

B. Measurement of fair values

i. Valuation techniques and significant unobservable inputs

The fair value of cash and cash equivalents, bank balances, trade receivables, loans, investments in Debt instrument, borrowings, lease liabilities, trade payables and other financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's loans have been contracted at market rates of interest. Accordingly, the carrying value of such loans approximate fair value.

During the previous year, Investments in equity instruments, which are classified as FVOCI are based on market price at the respective reporting date.

ii. Level 1 fair values

The following table shows a reconciliation from the opening balance to the closing balance for Level 1 fair values.

Particulars	(₹ in Lakhs)
	FVOCI Equity instruments
Balance at March 31, 2019	240
Current Investments during the year	7,720
Net Gain on investments measured at FVTPL	62
Equity Investments through other comprehensive income	(77)
Sale proceeds-Non current Investments	(163)
Balance at March 31, 2020	7,782
Balance at March 31,2020	7,782
Current Investments during the year	-
Net Gain on investments measured at FVTPL	80
Equity Investments through other comprehensive income	-
Sale proceeds-Non current Investments	(7,862)
Balance at March 31, 2021	-

C. 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 Loans, trade receivables, cash and cash equivalents and other financial assets that derive directly from its operations.

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

(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 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

Notes to Financial Statements

for the Year ended March 31, 2021

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.

Trade receivables and loans

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 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)	2,011	3,154
Less: Expected Credit Loss	(1,174)	(1,032)
Trade Receivables (Net)	837	2,122

(₹ in Lakhs)	
Reconciliation of Loss allowance (Trade Receivables)	Amount
Loss Allowance on March 31, 2019	876
Change in Loss allowance	156
Loss Allowance in March 31, 2020	1,032
Change in Loss allowance	142
Loss Allowance in March 31, 2021	1,174

The movement of Loans and Expected Credit Loss are as follows :

Particulars	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Loans	2,202	182
Less: Expected Credit Loss	1,405	164
Loans (net)	797	18

(₹ in Lakhs)	
Reconciliation of Loss allowance (Loans)	Amount
Loss Allowance on March 31, 2019	164
Change in Loss allowance	-
Loss Allowance in March 31, 2020	164
Change in Loss allowance	1,241
Loss Allowance in March 31, 2021	1,405

The movement of Advances and Expected Credit Loss are as follows :

Particulars	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Other Advances receivable	2,537	2,750
Less: Expected Credit Loss	2,319	60
Loans (net)	218	2,690

(₹ in Lakhs)	
Reconciliation of Loss allowance (Loans)	Amount
Loss Allowance on March 31, 2019	60
Change in Loss allowance	-
Loss Allowance in March 31, 2020	60
Change in Loss allowance	2,259
Loss Allowance in March 31, 2021	2,319

Notes to Financial Statements

for the Year ended March 31, 2021

(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. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required ; such credit facilities are reviewed at regular intervals. Thus, no liquidity risk is perceived at present.

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	Contractual cash flows				
	Carrying amount	Total	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	2,006	2,006	746	1,260	-
Lease Liabilities	47	57	20	37	-
Trade payables	365	365	365	-	-
Other financial liabilities	4,257	4,257	4,257	-	-
	6,675	6,685	5,388	1,297	-

(₹ In Lakhs)

March 31, 2020	Contractual cash flows				
	Carrying amount	Total	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	10,351	10,351	5,751	4,600	-
Lease Liabilities	77	98	39	59	-
Trade payables	4,548	4,548	4,548	-	-
Other financial liabilities	4,699	4,767	4,699	68	-
	19,675	19,764	15,037	4,727	-

(₹ In Lakhs)

(iii) Floating exchange rate and Interest risk:

Floating exchange rate

Floating exchange rate with reference to Market risk is the risk that changes in market prices - such as foreign exchange rates and 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

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 total unhedged foreign currency exposure at the year end towards Trade Receivable & Trade Payable is ₹24 Lakhs (Previous year ₹155 Lakhs) and ₹59 Lakhs (Previous Year ₹188 Lakhs) respectively. The Company does not have significant foreign currency exposure and hence, is not exposed to any significant foreign currency risk.

Interest rate risk

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



Notes to Financial Statements

for the Year ended March 31, 2021

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

Particulars	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Fixed rate instruments		
Financial assets		
Financial liabilities		
Vehicle Loans	30	73
Term Loans	388	1,389
Deposits from Public	663	1,268
Lease Liabilities	47	77
	1,128	2,807
Variable rate instruments		
Financial assets		
Financial liabilities		
Cash Credit	-	2,104
Term Loans	926	5,518
	926	7,622
	2,054	10,429

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 total equity	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Variable rate instruments - decrease by 100 basis points	9.26	76.22	9.26	76.22
Variable rate instruments - increase by 100 basis points	(9.26)	(76.22)	(9.26)	(76.22)

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.

Equity risk

The Company's quoted equity instruments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The senior management reviews and approves all equity investment decisions.

Sensitivity analysis

Investment in equity instruments of the Company are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. The table below summaries the impact of increase/decrease of the Nifty 50 index on the Company's equity and profit for the period. The analysis is based on the assumption that the NSE nifty 50 equity index had increased/decreased by 10% with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

Particulars	(₹ In Lakhs)			
	Effect on Profit before tax		Effect on total equity	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
NSE Nifty 50 - increase by 10% (March 31, 2020: 10%)	-	778	-	778
NSE Nifty 50 - decrease by 10% (March 31, 2020: 10%)	-	(778)	-	(778)

Notes to Financial Statements

for the Year ended March 31, 2021

44. 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 and debt includes borrowings and lease liabilities.

The company monitors capital on the basis of the following Gearing ratio:

Particulars	(₹ In Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Borrowings (Including Current maturities)	2,006	10,351
Less: Cash and Cash Equivalents	(1,021)	(1,028)
Less: Bank balance other than Cash and Cash Equivalents	(289)	(554)
Less: Current Investments	-	(7,782)
Net debt	696	987
Total Equity	62,446	80,007
Gearing ratio	0.01	0.01

45. Segment Information

A Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

The Company has two reportable segments, as described below, which is the Company's primary business segment. These business units are managed separately because they require different marketing strategies. For these business the Company's CODM (designation of the person who reviews) reviews internal management reports at quarterly basis.

Reportable segments - Operations

Express Distribution - Covers integrated E-commerce cargo logistics

Fuel Stations - Covers fuel stations dealing in petrol, diesel and lubricants, etc.

B Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Company's CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Summary of Segment Information as at and for the year ended March 31, 2021 and March 31, 2020 is as follows:

Particulars	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
1. Segment Revenue (Net Sales / Income from each Segment)		
a) Express Distribution	2,965	15,007
b) Fuel Stations	24,480	27,507
Total	27,445	42,514
Less: Inter Segment Revenue	-	-
Net Sales / Income from Operations	27,445	42,514

Notes to Financial Statements

for the Year ended March 31, 2021

Particulars	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)		
a) Express Distribution	(494)	(1,551)
Less - Exceptional Items	(16,001)	-
b) Fuel Stations	586	655
Total	(15,909)	(896)
Less: Finance Cost	(669)	(1,255)
Less: Exceptional Items	-	-
Profit before tax	(16,578)	(2,151)
Less: Tax Expenses	1,053	3,630
Profit after tax as per statement of profit an loss	(17,631)	(5,781)

Particulars	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
3. Segment Assets		
a) Express Distribution	6,422	33,872
b) Fuel Stations	1,540	1,658
d) Unallocated	63,483	67,830
Total Assets	71,445	1,03,360
Segment Liabilities		
a) Express Distribution	2,078	6,697
b) Fuel Stations	64	46
c) Unallocated	6,857	16,610
Total Liabilities	8,999	23,353
Capital Employed	62,446	80,007



Particulars	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
4. Depreciation and amortisation Expenses		
a) Express Distribution	175	357
b) Fuel Stations	13	11
Total	188	368

Particulars	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
5. Significant Non- cash Expenditure		
a) Express Distribution	16,424	1,165
b) Fuel Stations	-	-
Total	16,424	1,165

Particulars	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
6. Capital Expenditure		
a) Express Distribution	14	100
b) Fuel Stations	-	33
Total	14	133

Notes to Financial Statements

for the Year ended March 31, 2021

C Geographical information

The Company at present, operates in India only and therefore the analysis of geographical segments is not applicable to the Company.

Particulars	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
1. Revenue from External Customers		
a) India	27,445	42,514
b) International	-	-
Total	27,445	42,514

Particulars	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
2. Segment Non Current assets *		
a) India	4,305	25,802
b) International	-	-
Total	4,305	25,802

* Non current asset are excluding Investments, Non current tax assets, Deferred Tax asset.

46. Earnings per Share

	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Profit/(loss) for the year (₹ Lakhs)	(17,632)	(5,781)
Weighted average number of shares (Nos.)	12,19,45,977	11,11,79,319
Diluted average number of shares (Nos.)	12,19,45,977	11,12,90,319
Basic Earnings Per Share (In ₹)	(14.46)	(5.20)
Diluted Earnings Per Share (In ₹)	(14.46)	(5.19)
Nominal value of shares outstanding (In ₹)	2.00	2.00

47. Related party disclosure

A. Names of related parties and related party relationship for Preiod ended 31st March, 2021

- i) Holding Company** 1. Allcargo Logistics Limited
- ii) List of Directors & Key managerial personnel**
1. Mr Shashi Kiran Shetty – Chairman and Managing Director (Appointed as a Chairman w.e.f. July 24, 2020 and Managing Director w.e.f. November 04, 2020)
 2. Mr Mahendra Agarwal – Founder & CEO (Resigned w.e.f. September 28, 2020)
 3. Mr N Srinivasan – Director (Resigned w.e.f. Januauy 01, 2021)
 4. Mr P N Shukla – Director
 5. Mr Yasuhiro Kaneda – Director
 6. Mr Kaiwan Kalayaniwalla – Director
 7. Ms. Cynthia D'Souza – Director (Appointed w.e.f. July 03, 2020)
 8. Mr. Dinesh Kumar Lal – Director (Appointed w.e.f. July 03, 2020)
 9. Mr. Mohinder Pal Bansal – Director (Appointed w.e.f. July 03, 2020 and resigned on 4th March 2021)
 10. Nilesh Shivji Vikamsey – Director (Appointed w.e.f. February 05, 2021)
 11. Ms Savita Date Menon – Director (Resigned w.e.f. October 12, 2020)
 12. Mr K L Chugh – Chairman (Resigned w.e.f. July 24, 2020)
 13. Mr. Adarsh Hegde – Director- (Appointed - July 3,2020-Resigned October 5, 2020)
 14. Mr. Jatin Chokshi – Director (Appointed w.e.f. July 03, 2020 & Resigned w.e.f. October 05, 2020)
 15. Dr P S Reddy – Director (Resigned w.e.f. July 08, 2020)
 16. Ms. T S Maharani – Company Secretary, Chief Investor Relations & Compliance Officer
 17. Mr Rohan Mittal – Chief Financial Officer (Appointed w.e.f. October 09, 2020)
 18. Mr Peter H Jayakumar – Chief Financial Officer (Resigned w.e.f. October 09, 2020)

Notes to Financial Statements

for the Year ended March 31, 2021

- iii) **Entities in which key managerial personnel and their relatives having significant influence**
 1. TCI Finance Ltd.(*)
 2. TCI Hi-ways Pvt. Ltd. (*)
 3. Amrit Jal Ventures Private Ltd.(*)
 4. Gati Academy (*)
 5. Gati Infrastructure Sada Mangdar Power Pvt. Ltd. (*)
 6. Jaldi Traders & Commerce House Pvt. Ltd.(*)
 7. P D Agarwal Foundation (*)
 8. Gati Infrastructure Private Limited (*)
 9. Giri Roadlines and Commercial Trading Pvt Ltd (*)
 10. M/s Maneskha & Sethna
- iv) **Subsidiaries & Step down Subsidiaries**
 1. Gati Asia Pacific Pte Ltd. (**)
 2. Gati Hong Kong Ltd (**)
 3. Gati Cargo Express (Shanghai) Co. Ltd. (**)
 4. Gati Kausar India Ltd.
 5. Gati Import Export trading Ltd.
 6. Zen Cargo Movers Pvt. Ltd.
 7. Gati Kintetsu Express Pvt. Ltd.
 8. Gati Logistics Parks Private Ltd.
 9. Gati Projects Private Ltd.
- v) **Fellow Subsidiaries**
 1. Gati Asia Pacific Pte Ltd.
 2. Gati Hong Kong Ltd
 3. Gati Cargo Express (Shanghai) Co. Ltd.
- vi) **Associate**
 1. Gati Ship Ltd.

(*) Ceased to qualify as a related party with effect from September 28, 2020

(**) Ceased to be Subsidiary with effect from August 16, 2020 and became fellow subsidiary to Allcargo logistics Limited

B. Summary of the transactions with related parties for the year ended 31st March 2021:

(₹ In Lakhs)

SL. No	Nature of Transaction	Key Managerial Personnel & Relatives		Entities in which Significant influence exists		Holding, Subsidiaries, step down Subsidiaries & Fellow Subsidiaries		Total	
		FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
a)	EXPENDITURE								
	Freight and Other Charges								
	Gati Cargo Express (Shanghai) Co Ltd.	-	-	-	-	3	71	3	71
	Zen Cargo Movers Private Ltd	-	-	-	-	1	10	1	10
	Gati Kintetsu Express Private Ltd	-	-	-	-	1,197	5,229	1,197	5,229
	Allcargo Logistics Limited	-	-	-	-	2	-	2	-
	Remuneration								
	Rohan Mittal	43	-	-	-	-	-	43	-
	Ms T S Maharani	27	19	-	-	-	-	27	19
	Directors Sitting Fee								
	Mr K L Chugh	1	6	-	-	-	-	1	6
	Mr N Srinivasan	3	7	-	-	-	-	3	7
	Mr P N Shukla	3	6	-	-	-	-	3	6
	Dr P S Reddy	0	1	-	-	-	-	0	1
	Ms Sheela Bhide	-	1	-	-	-	-	-	1
	Mr Sunil Kumar Alagh	-	4	-	-	-	-	-	4
	Ms Savita Date Menon	2	3	-	-	-	-	2	3

Notes to Financial Statements

for the Year ended March 31, 2021

(₹ In Lakhs)

SL. No	Nature of Transaction	Key Managerial Personnel & Relatives		Entities in which Significant influence exists		Holding, Subsidiaries, step down Subsidiaries & Fellow Subsidiaries		Total	
		FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20
	Mr Sushil Kumar Jiwarajka	-	3	-	-	-	-	-	3
	Ms. Cynthia D'Souza	3	-	-	-	-	-	3	-
	Mr. Dinesh Kumar Lal	3	-	-	-	-	-	3	-
	Mr. Mohinder Pal Bansal	2	-	-	-	-	-	2	-
	Mr. Nilesh Shivji Vikamsey	1	-	-	-	-	-	1	-
	Management Fee								
	Gati Kintetsu Express Private Ltd	-	-	-	-	153	433	153	433
	Allcargo Logistics Limited	-	-	-	-	27	-	27	-
	Maintenance Expenses								
	Gati Kintetsu Express Private Ltd	-	-	-	-	1	-	1	-
	Manpower Expenses								
	Gati Academy	-	-	51	242	-	-	51	242
	Legal and Professional Expenses								
	M/s Maneskha & Sethna	-	-	5	-	-	-	5	-
	Rent Expenses								
	P D Agarwal Foundation	-	-	4	2	-	-	4	2
	Investment provided								
	Gati Asia Pacifi Pte Ltd	-	-	-	-	-	760	-	760
	Interest Expenses								
	Allcargo Logistics Limited	-	-	-	-	86	-	86	-
b)	INCOME								
	Freight and Other Charges								
	Gati Cargo Express (Shanghai) Co Ltd.	-	-	-	-	27	559	27	559
	Gati Kintetsu Express Private Ltd	-	-	-	-	-	128	-	128
	Rent								
	Gati Academy	-	-	-	4	-	-	-	4
	TCI Finance Limited	-	-	-	2	-	-	-	2
	TCI Hi-Ways Pvt Ltd	-	-	0	1	-	-	0	1
	Gati Kintetsu Express Private Ltd	-	-	-	-	459	445	459	445
	Gati Import Export Trading Limited	-	-	-	-	3	6	3	6
	Gati Logistics Parks Private Limited	-	-	-	-	0	-	0	-
	Gati Projects Private Limited	-	-	-	-	0	-	0	-
	Gati Kausar India Ltd.	-	-	-	-	0	-	0	-
	Management Fee								
	Gati Kintetsu Express Private Ltd	-	-	-	-	150	143	150	143
	Gati Kausar India Ltd.	-	-	-	-	5	5	5	5
	Gati Import Export Trading Limited	-	-	-	-	3	13	3	13
	Dividend Income								
	Gati Kintetsu Express Private Ltd	-	-	-	-	-	756	-	756
	Fuel Sales income								
	Gati Kintetsu Express Private Ltd	-	-	-	-	-	1	-	1
	ESOS Expense Reimbursement								
	Gati Kintetsu Express Private Ltd	-	-	-	-	-	18	-	18
c)	Sale of Investment/Property								
	Giri Roadlines & Commercial Trading Pvt Ltd	-	-	-	122	-	-	-	122
	P D Agarwal Foundation	-	-	-	625	-	-	-	625

Note - "0" represents amounts less than ₹ 1 lac.



Notes to Financial Statements

for the Year ended March 31, 2021

(₹ In Lakhs)

SL. No	Nature of Transaction	Key Managerial Personnel & Relatives		Entities in which Significant influence exists		Holding, Subsidiaries, step down Subsidiaries & Fellow Subsidiaries		Total	
		As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
d)	Investments - Equity								
	Gati Asia Pacific Pte Ltd	-	-	-	-	-	3,510	-	3,510
	Gati Asia Pacific Pte Ltd - Provision	-	-	-	-	-	(3,510)	-	(3,510)
	Gati Kausar India Ltd.	-	-	-	-	4,014	4,014	4,014	4,014
	Gati Kausar India Ltd. - Impairment	-	-	-	-	(4,014)	(4,014)	(4,014)	(4,014)
	Gati Import Export Trading Limited	-	-	-	-	230	230	230	230
	Gati Import Export Trading Limited - Provision	-	-	-	-	(120)	-	(120)	-
	Zen Cargo Movers Private Ltd	-	-	-	-	36	36	36	36
	Zen Cargo Movers Private Ltd -Provision	-	-	-	-	(36)	(36)	(36)	(36)
	Gati Kintetsu Express Private Ltd	-	-	-	-	55,100	55,100	55,100	55,100
	Gati Logistic Parks Private Limited	-	-	-	-	1	910	1	910
	Gati Projects Private Limited	-	-	-	-	1	1	1	1
e)	Trade Receivable								
	Gati Cargo Express (Shanghai) Co Ltd.	-	-	-	-	21	147	21	147
	Gati Import Export Trading Limited	-	-	-	-	-	0	-	0
f)	Other Receivable								
	Amrit Jal Ventures Private Ltd	-	-	-	1,768	-	-	-	1,768
	Provision Interest Receivable Amritjal	-	-	-	(1,768)	-	-	-	(1,768)
	Gati Infrastructure Sada Mangder Private Ltd	-	-	-	389	-	-	-	389
	Provision Interest Receivable- Gati Infrastructue Sada Mangder Pvt Ltd	-	-	-	(389)	-	-	-	(389)
	TCI Hi-Ways Pvt Ltd	-	-	-	0	-	-	-	0
	TCI Finance Ltd	-	-	-	9	-	-	-	9
	Gati Kintetsu Express Private Ltd	-	-	-	-	80	278	80	278
	Gati Import Export Trading Limited	-	-	-	-	42	20	42	20
	Gati Kausar India Ltd.	-	-	-	-	25	19	25	19
	Zen Cargo Movers Private Ltd	-	-	-	-	22	22	22	22
	Gati Logistic Parks Private Limited	-	-	-	-	0	-	0	-
	Gati Projects Private Limited	-	-	-	-	0	-	0	-
	Allcargo Logistics Limited	-	-	-	-	0	-	0	-
g)	Loans & Advances - Given								
	Jaldi Traders & Commerce House Private Ltd	-	-	-	570	-	-	-	570
	TCI Hi-Ways Pvt Ltd	-	-	-	1,279	-	-	-	1,279
	Gati Logistic Parks Private Limited	-	-	-	-	2,001	1,790	2,001	1,790
	Gati Logistic Parks Private Limited - Provision	-	-	-	-	(1,242)	-	(1,242)	-
	Gati Projects Private Limited	-	-	-	-	2	2	2	2
h)	Trade Payable								
	Gati Cargo Express (Shanghai) Co Ltd.	-	-	-	-	18	66	18	66
	Zen Cargo Movers Private Ltd	-	-	-	-	15	14	15	14
	Gati Kintetsu Express Private Ltd	-	-	-	-	77	4,052	77	4,052

Notes to Financial Statements

for the Year ended March 31, 2021

(₹ In Lakhs)

SL. No	Nature of Transaction	Key Managerial Personnel & Relatives		Entities in which Significant influence exists		Holding, Subsidiaries, step down Subsidiaries & Fellow Subsidiaries		Total	
		As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020	As at 31 st March 2021	As at 31 st March 2020
i)	Other Payables								
	Gati Kintetsu Express Private Ltd	-	-	-	-	101	379	101	379
	Gati Academy	-	-	-	2	-	-	-	2
	Gati Kausar India Limited	-	-	-	-	4	4	4	4
	P D Agarwal Foundation	-	-	-	2	-	-	-	2
	Allcargo Logistics Limited	-	-	-	-	0	-	0	-
j)	Deposit and Advance (Taken)								
	Gati Kintetsu Express Private Ltd	-	-	-	-	575	719	575	719
k)	Investment held for sale								
	Gati Ship Limited	8,623	8,623	-	-	-	-	8,623	8,623
	Gati Ship Limited Provision	(8,623)	(8,623)	-	-	-	-	(8,623)	(8,623)
	Amrit Jal Ventures Private Ltd - OCD's	-	-	-	3,457	-	-	-	3,457
	Amrit Jal Ventures Private Ltd - OCD's Impairment	-	-	-	(3,457)	-	-	-	(3,457)
	Gati Infrastructure Sada Mangder Private Ltd - OCD's	-	-	-	993	-	-	-	993
	Gati Infrastructure Sada Mangder Private Ltd - Impairment	-	-	-	(993)	-	-	-	(993)
l)	Corporate Guarantees given								
	Gati Kintetsu Express Private Ltd	-	-	-	-	125	3,150	125	3,150
	Gati Infrastructure Private Limited	-	-	-	2,360	-	-	-	2,360
	Gati Infrastructure Private Limited (provided in books)	-	-	-	(2,360)	-	-	-	(2,360)
	Gati Import Export Trading Limited	-	-	-	-	-	341	-	341
	Gati Kausar India Ltd.	-	-	-	-	251	442	251	442

Notes -

- (i) This is to confirm that the above transactions are (a) comprehensive and have been reviewed by Internal Auditors of the Company; (b) in the ordinary course of Business and at arm's length; (c) in compliance with applicable regulatory / statutory requirements including the Company's policy on Related Party Transactions.
- (ii) 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.
- (iii) 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.
- (iv) The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given for FY 2020-21.
- (v) The remuneration of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.
- (vi) Balances as of March 31, 2021, does not include the balances of certain parties which do not qualify as related party w.e.f. September 29, 2020.
- (vii) "0" represents amounts less than ₹ 1 lac.



Notes to Financial Statements

for the Year ended March 31, 2021

48. Advance receivable includes ₹ 410 lakhs due from Air India Limited against which provision is made in the current financial year. The matter was referred to the arbitral tribunal which passed an award dated September 17, 2013, directing Air India Limited to pay an amount of ₹ 2675 lakhs to the company along with interest @18 % per annum on the awarded amount. Air India filed an appeal before the Hon'ble High court at Delhi for setting aside of award, which directed Air India to deposit ₹ 2250 lakhs to the company. A property at Hyderabad was offered by the company as interim collateral. An application has been filed for release of above-mentioned collateral and is listed and pending for hearing. The matter remains sub-judice before Hon'ble High Court of New Delhi.
49. The Company is in the process of recovery of overdue advances amounting to ₹ 1,849 Lakhs given to few parties in earlier years. Management has decided to provide these overdue advances fully in the current financial year on conservative basis. A MoU has been signed with a revised repayment schedule which has been agreed between company and the parties in which this amount is also included.
50. The wholly owned subsidiary i.e., Gati Asia Pacific Pte Ltd (GAP) and it's two step down subsidiaries ceases to be a subsidiary with effect from August 16, 2020 after the transfer of investment to AllCargo Belgium N.V & Wingdom APAC Ltd, Hongkong.

51. Events after the Balance Sheet date;

- a) Post closure of the financial year ended March 31, 2021, the Board of Directors of the Company in its meeting held on Friday, May 07, 2021 considered and approved the Issuance of up to 10,23,020 Equity Shares of face value of ₹2 each ("Equity Shares") at a price of ₹97.75/- per Equity Share at a premium of ₹95.75/- per Equity Share, aggregating up to ₹10,00,00,205/- (Rupees Ten Crore Two Hundred and Five Only) and 71,61,120 Equity Warrants at a Price of ₹97.75/- per Equity Warrants with the right to warrant holder to apply for and be allotted 1 (One) Equity Share of the face value of ₹2/- each of the Company at a premium of ₹95.75/- per equity share for each Equity warrant within a period of 18 (Eighteen) months from the date of allotment of the warrants, aggregating up to ₹69,99,99,480/- (Rupees Sixty Nine Crores Ninety Nine Lacs Ninety Nine Thousand Four Hundred and Eighty Only) to Allcargo Logistics Limited, Promoter of the Company on Preferential issue basis in accordance with Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), as amended, and other applicable laws, subject to the shareholders' approval by way of passing of the Special Resolution in the Extra-Ordinary General Meeting to be held on Thursday, June 03, 2021 and other necessary approvals (including applicable statutory and regulatory approvals) and in compliance with applicable laws and regulations.
- b) Disposal of Subsidiary i.e. Gati Kausar India Limited ("Gati Kausar"), by way of entering into Share Purchase Agreement ("SPA") among the Contracting Parties i.e. (i) Company as a Promoter, (ii) Mandala Capital AG Limited as an Investor, and (iii) Gati Kausar India Limited as a Company.

52. Disclosure pursuant to Securities Exchange Board of India (Listing Obligation and Disclosure Requirement and Regulation 2015) And Section 186 of The Companies Act, 2013

The Loan and advances in the nature of loan to subsidiaries are as follows; -

Particulars	(₹ In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Loan and Advances	2,001	1,790
Less: - Allowances on the loans and Advances	(1,242)	-
Total	759	1,790

Company had given interest free loan to a wholly owned subsidiary ""Gati Logistic Parks Pvt. Limited"" which is amounting to ₹2,001 lakhs towards financing a project in an earlier year, where the operation is yet to commence. Based on the fair value assessment of the land which was given as security to the company in the earlier years, the Company has provided provision of ₹1242 lakhs in current financial year against such loan.

53. The value of company's investment in a wholly owned subsidiary i.e. Gati Logistic Parks Limited has been written down to the extent of ₹909 lakhs.

Notes to Financial Statements

for the Year ended March 31, 2021

- 54.** Gati Import Export Trading Limited (GIETL), a wholly owned subsidiary of the Company, has scaled down its operations in FY 2021 due to change in market dynamics. Company's investment in GIETL has been impaired to the extent of ₹120 lakhs.
- 55.** 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 results is currently uncertain and will depend on various other economic developments. The Company is also dependent on dividend from a major operating subsidiary, which is also affected by COVID-19 in respect of business operations and turnover. The Company will continue to monitor any material changes to future economic conditions.

56. Employee share-based payment:

Details of grants under various series are summarised below

S. No.	Description	Year ended March 31, 2021		Year ended March 31, 2020	
		ESOS-2006	ESOS-2007	ESOS-2006	ESOS-2007
	Scheme No.				
1	Date of shareholders' approval	11-10-2006	13-10-2007	11-10-2006	13-10-2007
2	Total number of options approved under ESOS	17,82,500	17,55,720	17,82,500	17,55,720
3	Vesting requirements	Commences at the expiry of two years from the date of grant.			
4	Exercise price or pricing formula	At a discount of 25% on the average of the weekly high and low of the closing prices for the Company's Equity Shares quoted on the Bombay Stock Exchange and / or National Stock Exchange during the four weeks preceding the date of grant of the options.			
5	Maximum term of options granted	4 years			
6	Source of shares (primary, secondary or combination)	Primary			
7	Variation of terms of options	Nil			
8	Method used to account for ESOS - Intrinsic or fair value	The company has calculated the employee compensation cost using the fair value of the stock options.			

S. No.	Description	Year ended March 31, 2021		Year ended March 31, 2020	
		ESOS-2006	ESOS-2007	ESOS-2006	ESOS-2007
1	Number of options outstanding at the beginning of the year (un-granted)	8,02,988	9,65,200	6,54,988	9,65,200
2	Number of options granted during the year	Nil	Nil	Nil	Nil
3	Number of options forfeited/lapsed during the year	94,905	16,095	1,48,000	0
4	Number of options vested during the year	94,905	16,095	1,48,000	0
5	Number of options exercised during the year	0	0	0	0
6	Number of shares arising as a result of exercise of options	0	0	0	70500*
7	Amount realized by exercise of options (₹)	0	0	0	60,22,110
8	Loan repaid by the Trust during the year from exercise price received	NA	NA	NA	NA
9	Number of options outstanding at the end of the year (out of total number of options approved under ESOS)	8,97,893	9,81,295	8,02,988	9,65,200
10	Number of options exercisable at the end of the year (out of total number of options approved under ESOS)	0	0	94,905	16,095



Notes to Financial Statements

for the Year ended March 31, 2021

	Weighted average exercise price (in ₹)	Weighted average Fair value (in ₹)	Expected Volatility (%)	Expected Dividend (%)	Life of Options granted (Years)	Risk free interest rate (%)
11 Stock Options granted on						
06-02-2014	45.60	69.50	9.93%	1.69%	4	8%
06-08-2014	85.42	113.79	12.59%	1.73%	4	8%
26-04-2016	87.13	116.18	-6.92%	0.81%	4	8%
04-11-2016	103.40	137.94	0.72%	0.81%	4	8%
12 Employee wise details of options granted to						
a. Key managerial personnel			Nil	Nil	Nil	Nil
b. Any other employee who receive a grant of options in any one year of option amounting to 5% or more of option granted during the year			Nil	Nil	Nil	Nil
c. Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants & conversions) of the Company at the time of grant			Nil	Nil	Nil	Nil
13 Description of the method and significant assumptions used during the year to estimate the fair value of the options, including the following weighted average information						
					The Black Scholes option-pricing model was developed for estimating fair value of traded options that have no vesting restrictions and are fully transferable. Since option-pricing models require use of substantive assumptions, changes therein can materially affect fair value of options. The option pricing models do not necessarily provide a reliable measure of fair value of options.	
14 The main assumptions used in the Black Scholes option-pricing model during the year were as follows:						
(i) Weighted average values of share price				Refer point no. 11		Refer point no. 11
(ii) exercise price				Refer point no.11		Refer point no.11
(iii) Risk free interest rate				8%		8%
(iv) Expected Life of Options				3 years		3 years
(v) Expected volatility				26-04-2016 (-6.92%), 04-11-2016 (0.72%)		26-04-2016 (-6.92%), 04-11-2016 (0.72%)
(vi) Dividend yield				0.81%		0.81%
15 The method used and the assumptions made to incorporate the effects of expected early exercise				NA		NA
16 How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility						We have considered the historical price of the company at the stock exchange, where the trading volume is high. The average closing price on weekly basis was taken to calculate the volatility of the shares.
17 Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.					No	No

*70500 shares are arising as a result of exercise of options during the Financial Year 2018-19

Notes to Financial Statements

for the Year ended March 31, 2021

- 57.** Previous GAAP figures have been reclassified /regrouped wherever necessary.
- 58.** The financial statements are approved for issue by the Audit Committee and by Board of Directors at its meeting held on May 25, 2021.

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 25, 2021

For and on behalf of the Board of Directors

Shashi Kiran Shetty

Chairman & Managing Director
DIN: 00012754

Rohan Mittal

Chief Financial Officer
Place: Hyderabad
Date: May 25, 2021

T S Maharani

Company Secretary
M No. F8069

