2023-24

17TH ANNUAL REPORT

Gati Express & Supply Chain Private Limited
(Formerly " Gati-Kintestu Express Private Limited ")

CORPORATE INFORMATION

BOARD OF DIRECTORS

1.	Mr. Shashi Kiran Shetty	-Chairman & Non-Executive Director
2.	Mr. Pirojshaw Aspi Sarkari	-Managing Director & Chief Executive Officer
3.	Ms. Vinita Dang Mohoni	- Independent Director
4.	Mr. Nilesh Shivji Vikamsey	- Independent Director
5.	Mr. Dinesh Kumar Lal	- Independent Director
6.	Mr. Ketan Nishikant Kulkarni	- Additional Whole-time Director (Deputy Managing Director w.e.f. August 02, 2024)

KEY MANAGERIAL PERSONNEL

1.	Mr. Pirojshaw Aspi Sarkari	- Managing Director & Chief Executive Officer
2.	Mr. Anish T Mathew	- Chief Financial Officer
3.	Mrs. TS Maharani	- Company Secretary

AUDITORS

M/s. S.R. Batliboi & Associates LLP
Chartered Accountants

REGISTERED OFFICE

4th Floor, A Wing, Allcargo House, CST Road,
Kalina, Santacruz (East), Mumbai-400098, Maharashtra
CIN: U62200MH2007PTC390900
Email ID: investor.services@allcargologistics.com

REGISTRAR AND SHARE TRANSFER AGENTS

Link Intime India Private Limited
Address:
C -101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai – 400 083, Maharashtra
Tel. No.: 18003454001
E-mail: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

BANKERS

1) Bank of Bahrain and Kuwait B.S.C
2) Federal Bank Limited
3) DCB Bank Limited
4) IndusInd Bank Limited
5) Axis Bank Limited
6) ICICI Bank Limited
7) HP Financial Services (India) Private Limited
8) Capsave Finance Private Limited

Gati Express & Supply Chain Private Limited
(Formerly known as "Gati-Kintetsu Express Private Limited")
4th Floor, A Wing, Allcargo House, CST Road, Kalina, Santacruz (East), Mumbai – 400098
Tel No: (022) 6679 8100
CIN: U62200MH2007PTC390900
Website: www.gati.com
E-mail: investor.services@allcargologistics.com

NOTICE

Notice is hereby given that the 17th (Seventeenth) Annual General Meeting (AGM) of the members of **Gati Express & Supply Chain Private Limited** (Formerly known as **"Gati-Kintetsu Express Private Limited"**) (CIN:U62200MH2007PTC390900) ("the Company") will be held on Tuesday, September 03, 2024 at 3:00 P.M. through Video Conferencing (VC) or Other Audio Visual Means (OAVM) for which purpose the Registered office of the Company situated at 4th Floor, A Wing, Allcargo House, CST Road, Kalina, Santacruz (East), Mumbai – 400098 shall be deemed as the venue for the Meeting and the proceedings of the Annual General Meeting shall be deemed to be made thereat, to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2024 and the Reports of the Board of Directors and Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** the audited financial statements of the Company for the financial year ended March 31, 2024 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To appoint a Director in place of **Mr. Pirojshaw Aspi Sarkari (DIN: 00820860),** who retires by rotation and, being eligible, offers himself for re-appointment and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Pirojshaw Aspi Sarkari (DIN: 00820860), who retires by rotation at this meeting be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

Special Business:

3. To consider and approve the appointment of Mr. Ketan Nishikant Kulkarni (DIN: 10735941) as a Director of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of section 152 and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Ketan Nishikant Kulkarni (DIN: 10735941), who was appointed by the Board of Directors as an Additional Whole-time Director of the Company, with effect from August 02, 2024 under section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting of the Company in terms of section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, being so eligible, be appointed as a Director of the Company, liable to retire by rotation.

   RESOLVED FURTHER THAT the Board of Directors and/ or the Company Secretary be and are hereby severally authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

4. To consider and approve the appointment of Mr. Ketan Nishikant Kulkarni (DIN: 10735941) as an Whole-time Director designated as "Deputy Managing Director" of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to Section 196, 197 and 198 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V of the Companies Act, 2013, as amended from time to time and other applicable provisions of the Companies Act, 2013, (including any statutory modifications or re-enactment thereof), approval of the Company be accorded for appointment of Mr. Ketan Nishikant Kulkarni (DIN: 10735941) as a Whole-time Director designated as "Deputy Managing Director" of the Company for a period of five consecutive years commencing from August 02, 2024 to August 01, 2029 (both days inclusive) on a fixed remuneration of Rs. 1,75,00,000/- per annum and an amount not exceeding Rs.70,00,000/- as variable payment per annum and retention bonus of an amount not exceeding Rs. 50,00,000/- per annum, as detailed in the Explanatory statement annexed to this Notice.

   RESOLVED FURTHER THAT the approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to revise the remuneration payable to Mr. Ketan Nishikant Kulkarni, Deputy Managing Director of the Company (hereinafter referred to as the appointee), from time to time.

RESOLVED FURTHER THAT, in addition to the above remuneration, the appointee shall be entitled to Employees Stock Appreciation Rights (ESARs) in accordance with the Gati Employees Stock Appreciation Rights Plan 2021 from the Holding Company, Allcargo Gati Limited (formerly known as "Gati Limited"), as approved by the Board and Shareholders of the Holding Company.

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of the appointee, the Company has no profits or its profits are inadequate, the Company may pay to the appointee, the above remuneration, with revision thereof from time to time as the minimum remuneration.

RESOLVED FURTHER THAT approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

By order of the Board of Directors
For **Gati Express & Supply Chain Private Limited**
(formerly known as "Gati-Kintetsu Express Private Limited")

TS Maharani
Company Secretary
Membership No.: F8069

Place: Mumbai
Date: August 02, 2024

NOTES:

1) The Ministry of Corporate Affairs, Government of India ("MCA") issued General Circular Nos. 20/2020, 02/2021, 19/2021, 21/2021 and 02/2022 dated May 05, 2020, January 13, 2021, December 08, 2021, December 14, 2021, May 05, 2022, General Circular No 10/2022 dated December 28, 2022, General Circular No 11/2022 dated December 28, 2022 and General Circular No. 09/2023 dated September 25, 2023, respectively, ("MCA Circulars") allowing, *inter-alia*, conduct of Annual General Meeting ("AGM") through Video Conferencing/ Other Audio-Visual Means ("VC/ OAVM") facility till September 30, 2024, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. In compliance with these Circulars, provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 17th AGM of the Company is being conducted through VC/OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the 17th AGM shall be the Registered Office of the Company.

2) As the AGM is being conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.

3) The instructions to join the AGM shall form part of the e-mail communication to shareholders for this AGM which shall be an integral part of this Notice.

4) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013 ("the Act").

5) Corporate members intending to send their authorised representatives to attend the AGM pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy (in PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. authorising its representatives to attend the AGM, by e-mail to investor.services@allcargologistics.com.

6) In compliance with the aforementioned MCA Circulars, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company's website: www.gati.com.

7) Members seeking any information with regard to any matter to be placed at the AGM, are requested to write to the Company through an email to investor.services@allcargologistics.com.

8) Members will be able to attend the AGM through VC/OAVM provided by the Company.

9) Members who need assistance before or during the AGM, can contact the Company Secretary at investor.services@allcargologistics.com/+91-8008559799.

10) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Company Secretary, by show of hand for all those members who are present at the AGM.

11) The Register of Directors and their shareholding, maintained under Section 170 of the Companies Act 2013 and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the meeting by sending e-mail to investor.services@allcargologistics.com.

12) Members holding shares in physical mode:

    a) are required to submit their Permanent Account Number (PAN) and bank account details to the Investor Service Department of the Company, if not registered with the Company.
    b) are requested to register / update their e-mail address with the Investor Service Department of the Company for receiving all communications from the Company electronically.

13) Members holding shares in electronic mode:

    a) are requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts.
    b) are requested to register / update their e-mail address with their respective DPs for receiving all communications from the Company electronically.

14) Non-Resident Indian members are requested to inform respective DPs, immediately of:

    a) Change in their residential status on return to India for permanent settlement.
    b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

15) Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Investor Service Department of the Company/RTA, in case the shares are held by them in physical form.

By order of the Board of Directors
For **Gati Express & Supply Chain Private Limited**
(formerly known as "Gati-Kintetsu Express Private Limited

TS Maharani
Company Secretary
Membership No.: F8069

Place: Mumbai
Date: August 02, 2024

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

Item Nos. 3 and 4:

Mr. Ketan Nishikant Kulkarni was appointed as an Additional Whole-time Director designated as "Deputy Managing Director" of the Company with effect from August 02, 2024 pursuant to the recommendation of the Nomination and Remuneration Committee on the remuneration as detailed further in this Explanatory Statement.

Profile of Mr. Ketan Kulkarni:

"Ketan Kulkarni is the Chief Growth Officer at Allcargo Group, India's largest integrated logistics services provider with operations in over 180 countries. In this capacity, working in the Chairman's Office, Ketan aligns with Allcargo Group's strategic objective of enhancing overall growth and efficiency. Ketan also drives stakeholder value creation, fostering a culture of governance within the organization. He is Allcargo Group's representative at various government and industry forums, and plays a crucial role in managing investor and public relations strategies.

With over three decades of extensive experience across diverse industries, Ketan has navigated leadership roles across sectors including logistics, consumer durables, FMCG, and beverages. He accumulated valuable experience with renowned companies such as VIP Industries, ABD Limited, Geoffrey Manners, and Percept Advertising Ltd.

Notably, his tenure as the Chief Commercial Officer at Blue Dart Express (DHL Group) spanned over 17 years, during which he led sustainable and strategic growth initiatives, being responsible for the Sales, Marketing, Corporate Communications, and CSR. He also led the Organizational Excellence initiatives as a Sr. Advisor.

Having pursued an MBA degree from the University of Mumbai, and a B.Sc. in Chemistry from Mumbai University, India, Ketan also attended the University of New South Wales' Shaping DHL's Future: Asia Pacific Business Leadership Program.

He has been conferred with various national and international awards for Marketing, Sustainability, Retail, Organizational Excellence and other areas of business. Ketan also serves as an Advisory Board Member of the CMO Council, USA."

Mr. Ketan Nishikant Kulkarni does not serve as a Director on the Board of any other company nor as a Chairman/Member of any committee whatsoever.

Mr. Ketan Nishikant Kulkarni does not hold any shareholding in the Company. The Explanatory Statement may be considered as a written Memorandum setting out terms, conditions and limits of remuneration of Mr. Ketan Nishikant Kulkarni in terms of section 190 of the Act.

I. General Information:

(i) Nature of Industry:

The Company is, inter alia, in the business of Express Distribution.

(ii) Date or expected date of commencement of commercial production:

The Company was incorporated on November 14, 2007 and is operational.

(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable.

(iv) Financial performance based on given indicators – as per audited financial results for the year ended March 31, 2024:

Particulars	**Rs. in Lacs**
Gross turnover & other income	1,48,240
Net profit as per Statement of Profit & Loss (After Tax)	(2,801)
Computation of Net Profit in accordance with section 198 of the Companies Act, 2013	(4,677)
Net Worth	21,565

(v) Foreign investments or collaborators, if any:

Not Applicable.

II. Information about the appointee:

(i) Background details:

Refer profile Section stated above

(ii) Past remuneration during the financial year ended March 31, 2024:

Not Applicable.

(iii) Recognition or awards:

Refer profile Section stated above.

(iv) Job Profile and his suitability:

Taking into consideration his qualifications and expertise in relevant fields as detailed in his profile above, the Deputy Managing Director of the Company is best suited for the responsibilities currently assigned to him.

(v) Remuneration proposed:

Components	Amount (Rs. In Lacs) per annum
Fixed Pay	175.00

- Target Variable Pay is payable subject to Individual's and Company's performance:

Performance Rating	Annual Per Annum (INR)
4.51 -5	70,00,000
3.5 – 4.5	65,00,000
3 – 3.5	55,00,000

- Retention Package is for next 3 years (FY25 to FY27) upto maximum of Rs. 50.00 lacs per annum subject to performance rating:

Annual Performance Score	3 – 3.5	3.5 – 4.5	4.51 -5
Retention Bonus (INR)	35,00,000	45,00,000	50,00,000

Mr. Ketan Nishikant Kulkarni does not hold any Equity Shares in the Company. However, he has been granted 1,50,000 Employee Stock Appreciation Rights ("ESARs") under the Gati - Employee Stock Appreciation Rights Plan 2021 of the Holding Company.

(vi) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):

Taking into consideration the size of the Company, the profile of Mr. Ketan Nishikant Kulkarni, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.

(vii) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Besides the remuneration proposed to be paid to him, the Deputy Managing Director does not have any other pecuniary relationship with the Company or relationship with the managerial personnel.

III. Disclosures:

The information and Disclosures of the remuneration package of all Directors have been mentioned in the Annual Report and Financials. Mr. Ketan Nishikant Kulkarni satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section 3 of section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of section 164 of the Act. Mr. Ketan Nishikant Kulkarni is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India ("SEBI") or any other authority.

Brief resume of Mr. Ketan Nishikant Kulkarni, nature of his expertise in specific functional areas, disclosure of relationships between directors inter-se, name of listed entities and other companies in which he holds memberships/chairmanships of Board Committees, shareholding in the Company, the number of Meetings of the Board attended during the year, as stipulated under the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are stated herein.

Save and except Mr. Ketan Nishikant Kulkarni, and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel ("KMP") of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item Nos. 3 and 4 of the Notice. None of the Directors and KMP of the Company are inter-se related to each other.

The Board recommends the Ordinary Resolution and Special Resolution set out at Item Nos. 3 and 4, respectively, of the Notice for approval of the Members.

By order of the Board of Directors

For **Gati Express & Supply Chain Private Limited**
(formerly known as "Gati-Kintetsu Express Private Limited")

TS Maharani
Company Secretary
Membership No.: F8069

Place: Mumbai
Date: August 02, 2024

DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the report of the Business and Operations of Gati Express & Supply Chain Private Limited (formerly known as "Gati-Kintetsu Express Private Limited") ('the Company' or 'GESCPL'), along with the Audited Financial Statements, for the financial year ended March 31, 2024.

The name of your Company has been changed to "Gati Express & Supply Chain Private Limited" w.e.f. November 3, 2023, duly approved by the Registrar of Companies, Mumbai, Ministry of Corporate Affairs.

1) Financial Highlights

Particulars	2023-24	2022-23
Total Income	1,48,240	1,48,670
Profit before Finance Cost, Depreciation, Exceptional items & Taxation	5,807	9,013
Less : Finance cost	3,208	2,998
Less : Depreciation	6,842	5,855
Profit/ (Loss) before Tax & Exceptional Items	**(4,243)**	**160**
Less: Exceptional Items	782	893
Profit/ (Loss) before Tax	**(3,461)**	**1,053**
Less : Total Tax Expenses	(660)	1,596
Profit/ (Loss) after Tax	**(2,801)**	**(543)**

Other Comprehensive Income for the year (net of tax)	(114)	(597)
Total Comprehensive Income for the year	**(2,915)**	**(1,140)**

Your Company has provided Ind-AS Financials for the year ended 31st March, 2024 along with comparable as on 31st March, 2023.

2) **Dividend**

Your Directors do not recommend dividend for the year under review.

3) **Reserves**

No amount transferred to Reserves, in view of the losses of the company at the end of the financial year.

4) **Equity Share Capital**

The authorized share capital of the Company stands at Rs. 75,00,000/- (Rupees Seventy-Five Lakhs only) divided into 7,50,000 (Seven Lakhs Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten only) each. Your Company's issued, subscribed and paid-up share capital stands at Rs. 50,00,000/- (Rupees Fifty Lakhs only) divided into 5,00,000 (Five Lakhs) equity shares of Rs. 10/- (Rupees Ten only) each.

5) **Review of Operations**

During the year under review, your Company recorded revenue of Rs. 1,48,240/- Lakhs, EBITDA of Rs. 5,807/- Lakhs and PAT of Rs. (2,801) Lakhs against a revenue of Rs. 1,48,670 /- Lakhs, EBITDA of Rs. 9,013/- Lakhs and PAT of Rs. (543) Lakhs in the previous year.

6) **Business performance**

With the strong growth in the Indian economy and especially the express logistics segment has performed extremely well during the year. The logistics industry is expected to continue growing at 1.5X GDP growth and the express logistics will outperform the same by maintaining a trajectory of 1.5X the logistics industry growth.

Catering to the B2B surface and air express markets, your Company has grown to be a pioneer and leader with decades of experience and deep understanding of the complexities of today's growing time sensitive market demands and business expectations with cost-effective and technologically enabled services. The year-on-year revenue growth has been 0.7% driven by an improvement in service level performance and customer satisfaction. The negative EBITDA of (25%) resulted from increased operating costs due to higher volumes coupled with lower realized yield compared to the previous year.

- **Express distribution Services**

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

- **Surface freight**

With more than 5000 vehicles operating across the country in a well-developed wide network that is optimized via route planning system & 24/7/365 service level monitoring, our deliveries are further strengthened by 24×7 customer care & online tracking systems providing SMS and E-mail updates to customers for their shipments in transit enabling reliability, high efficiency, safety and trust in the Company's express cargo delivery network. Your 18 Express Distribution Centers and 93 distribution warehouses that work in a hub and spoke model ensures on-time and seamless delivery at ~19000 pincodes and allows us to serve 650+ districts across our country.

- **Air freight**

When it comes to critical cargo and time-sensitive transportation especially for pharmaceuticals, critical spares and essential goods as well as electronic and auto supply chain elements, the Company supports customers with reliable and cost effective air express solutions.

During the year, Gati-Air has strengthened connections to all of India's commercial airports and we have partnerships with India's leading domestic airlines which creates a significant advantage for the Company as well as Customers who can now rely on your Company for a combination of air and surface express to deliver time-urgent cargo to all parts of the country.

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

7) Credit Rating

Due to consistent performance of the company, current credit ratings of the Company are as follows:

Instrument	Rating	Rating Agency
Fund Based Limits (Cash Credit)	CARE A+ (RWD)	CARE Ratings Limited

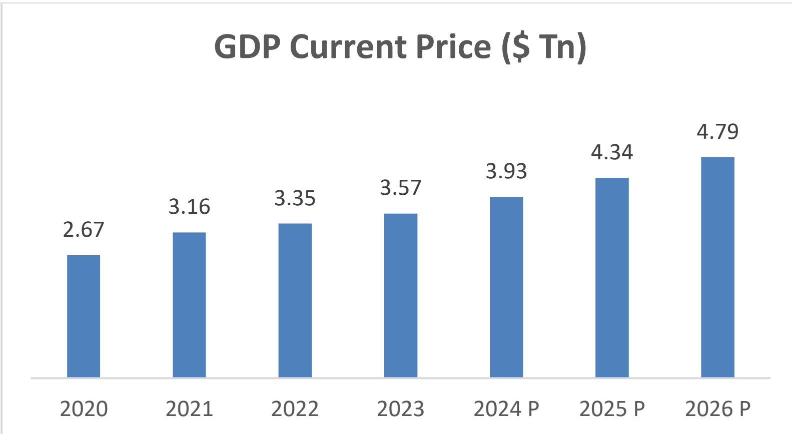
8) Future Prospects

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

- Continued focus to be our customers preferred one-stop solution providers for Express Distribution, including but not limited to, expanding wallet share with large customers, enhance new customer acquisition in the MSME and retail sub-segments and tap into the large unorganised market which offers the potential to grow exponentially;
- Expand our growing robust operating network for access & reach across all parts of the country;
- Emphasis on service, quality & digitization as an enabler & differentiator;
- Enhanced use of technology to facilitate automation and modernization of all the facilities;
- Value creation and acting pro-actively with Environmental, Social and Governance (ESG), the Company's vision to enhance and provide sustainability as a key imperative with initiatives such as, transition to a large proportion of EV's in First Mile and Last Mile by 2025, Solar Roof top and Rainwater harvesting at operating facilities, etc.

9) Indian Economic Overview

India is touted as a bright spot in the global economy. During the year 2023, India surpassed United Kingdom to become the fifth largest economy and also had the opportunity to host the G20 summit. As per the International Monetary Fund, India is likely to become the world's fourth largest economy by 2025 by surpassing Japan. The IMF also expects India to overtake Germany and become the third largest economy by 2027. India has also emerged as an attractive investment destination on account of government's thrust on sectors like infrastructure, manufacturing, logistics and focus on technology. These government initiatives have not only helped instil confidence in the country's capabilities but have also paved the way for its promising future.



Source: IMF, Aviral Analysis

The International Monetary Fund has projected India's economy to grow at 6.8 percent in financial year 2025 and 6.5 percent in financial year 2026, this is in stark contrast to the projected global growth. India's growth is expected to come on the back of resilient domestic demand and private sector CAPEX which is expected to take over from government CAPEX. Overall manufacturing activity continues to remain buoyant in India, the manufacturing Purchasing Managers Index (PMI) touch a sixteen year high in March 2024. During the financial year 2024 India's merchandise exports declined, however trade deficit improved by 35.7 percent as compared to financial year 2023. Overall exports (merchandise and services) reached $776.68 billion representing a marginal increase as compared to last year. This growth in overall exports has come despite global headwinds. During the financial year 2024 Goods and Service Tax collection saw an increase of 11.7 percent and stood at Rs. 20.14 lakh crore as compared to last year, thus signifying strong economic activity.

While the global economic recovery is expected to remain steady and slow, India will continue to gallop on its path to growth. Government initiatives to boost manufacturing and infrastructure, strong domestic consumption, and investments by private sector augurs well for economic growth in India. Consumer price inflation in India is expected to decline from an average of 5.4 percent in financial year 2024 to 4.6 percent in financial year 2025 and 4.2 percent in financial year 2026.

10) Indian Logistics Industry Overview

India is one of the fastest growing economies in the world today. This growth is anticipated on the back of India becoming one of the largest manufacturing and consumption hub globally. This signifies robust economic activity and job creation and will enable India to become one of the top three economies during this decade. It has also led to India being a preferred investment destination. This economic growth and wide consumption base in India will act as a tailwind for the growth of logistics sector too.

Over the years, the Indian logistics sector has evolved too, it has come a long way from being a labour-intensive industry to being one where technology plays a pivotal role. In fact, during the year 2023, India was ranked 38th out of 139 countries in the world bank's logistics performance index (LPI). India's ranking improved from 44 to 38 between 2018 to 2023. This improvement in the ranking has come on the back of various initiatives government initiatives to boost infrastructure, manufacturing, and on the back of technological advancements in the logistics sector.

The logistics cost in India is estimated to be around 12 percent of GDP. In the Indian logistics landscape road transportation dominates the freight movement with its share in freight movement being estimated at 66 percent. Rail movement is considered to be cheaper and is mainly used to transport bulk goods over long distances. In the interim budget announced by the finance minister during February 2024, the logistics sector has got a major boost. The government has allocated Rs. 11 lakh crores, it plans to set up three major economic railway corridors under the PM Gati Shakti for enabling multi modal connectivity.

With India poised to become one of the leading economies in the world, logistics as a sector is bound to play an important role as economic growth is always coupled with growth of logistics sector. The logistics landscape in India has undergone significant changes like implementation of GST, e-invoicing, improvement in infrastructure and digitisation.

Few factors that will drive the growth of logistics in India are:

1) Infrastructure development: under which the government is providing a physical framework for enabling movement of goods across the country. According to the Ministry of Road Transport and Highways National Highway (NH) network has increased to 1,46,145 km in year 2023 from 91,287 km in year 2014.

2) PM Gati Shakti: Under this the government plans to facilitate multi modal connectivity. Even during the recent interim budget the government has announced three economic railway corridors. Energy, mineral and cement corridors; port connectivity corridors; and high traffic density corridors.

3) Manufacturing: There is thrust by the government to boost manufacturing in India, it aims to increase the contribution of manufacturing to India's GDP from 17 percent currently to 25 percent by 2025. Various schemes such as the Production Linked Incentive (PLI) scheme and Atmanirbhar Bharat have been announced to support this goal. Technology is also bound to play an important role in supporting logistics. It will help in improving efficiency and providing visibility of shipments.

4) Foreign Trade Policy: The government in its foreign trade policy 2021- 26 is focusing on establishment of a mechanism that will boost exports and increase import screening to protect manufacturers.

Express Logistics:

Express Logistics is a logistics solution that caters to time definite delivery needs. It adds value to the customers supply chain by providing convenience in pick-up and delivery, time-bound delivery, reliability of service, safety and security of consignments, track and trace of consignments, proof of delivery, and call centre support. The Indian express logistics market which comprises of domestic and international B2B surface express, B2B air express, B2C (e-commerce) and document movement is estimated to be more than $7 billion per annum. Historically, the express logistics market has grown 2x the GDP growth, however in the last few years the growth has come at a faster rate due to sharp growth in the e-commerce logistics.

Key demand drivers for growth of organised express logistics players in India:

Manufacturing Activity & Economic Growth: The Indian economy is touted to be a bright spot in the global economy. This is bound to come on the back of growth in manufacturing activity in India. The government, with an objective to boost manufacturing has come up with initiatives like Make in India and production linked incentive. This increased manufacturing and economic augurs well for growth express logistics in India.

Increased Customer Expectations: With change in consumer consumption behaviour, the need for faster, time definite and damage free transport of goods has increased. Manufacturers are now compelled to deliver faster, this is a positive thrust for express logistics.

Growth of MSME/SME: With support for manufacturing and demand for goods, the MSME and SME manufacturers are also looking to expand their business pan India. Lot of these small businesses depend on unorganized logistics players to fulfil their needs which will shift to organized express players.

Technology Adoption: With the growth of IT and IT systems, businesses are on the lookout to work with partners who have a tech driven approach and can provide a better interface. They also prefer partners who can make use of data analytics and help with supply chain bottlenecks. Organized express logistics players have always been early adopters of technology which will act as a tailwind for their growth.

Growth in E-commerce: The growth of internet penetration and digital payments infrastructure has fuelled the growth of e-commerce penetration in the country. The market size of e-commerce is projected to cross 10billion shipments per year by financial year 2028 from 4 billion shipments in financial year 2023.

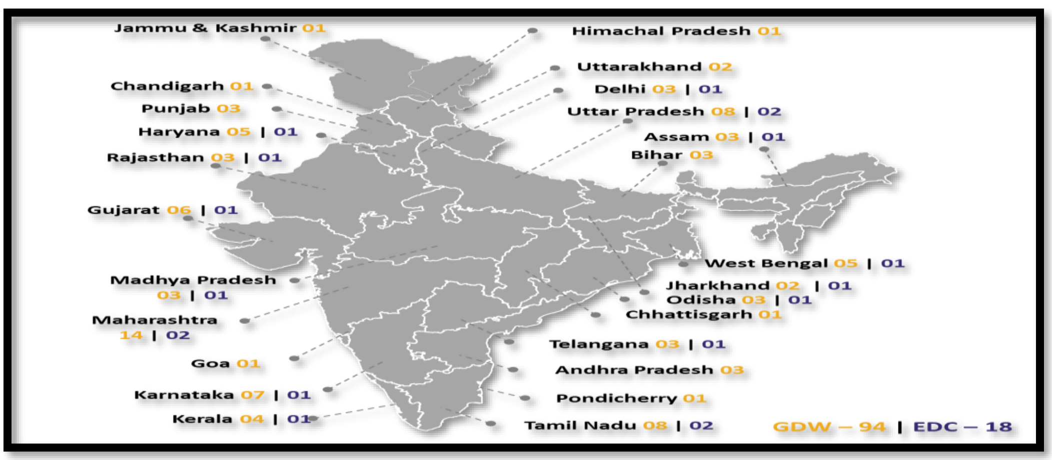
Regulatory Changes and Infrastructure Growth: Regulatory initiatives like GST, e-waybill, e-invoicing has not only pushed for adopting a structured process but also eradicated delays and malpractices. This coupled with growth of infrastructure through projects like Dedicated

Freight Corridor (DFC) and PM Gati Shakti has laid the groundwork for better transportation services and push for adoption of express logistics.

Gati Express & Supply Chain:

Gati Express & Supply Chain was incorporated in 2007 and is one of India's oldest and leading B2B express logistics player. The company provides express logistics solutions to its clients which include surface distribution, air freight and supply chain management solutions. The company has a strong pan-India network to carry out its operations, it covers 99 percent of government approved pin codes.

As of 30th April, 2024 we operate 657 Operating Units (OUs) comprising of 22 Surface Transit Centres (STCs), 8 Air Transit Centres (ATCs), 18 Express Distribution Centres (EDCs), 94 Gati Distribution Warehouse (GDWs), 129 Customer Convenience Centres - Owned (CCCOs), and 386 Customer Convenience Centres - Franchise (CCCFs) across India.



The company is a part of the Allcargo Group, which takes pride in being a logistics conglomerate providing end to end logistics solutions to its customers. During the financial year 2024, the company achieved a milestone of attaining its highest ever express volume. This is a culmination of the company's new and improved infrastructure, improved service quality and sales acceleration initiatives.

Post Allcargo Group acquiring the company in the year 2020, your Company had embarked on its journey on the pillars it had laid down. These pillars had a strategy to focus on development of infrastructure, Digitalisation, Sales Acceleration, Improving Operations and building a robust team. Over these years the management has taken huge strides in each of the mentioned pillars that has led to sustainable growth for the company.

Proposed Amalgamation of our Company with Allcargo Logistics Limited

The Board of Directors of your Company, on the recommendation of the Audit Committee and the Committee of Independent Directors, at their meetings held on December 21, 2023 approved the composite scheme of arrangement / amalgamation for restructuring of businesses (the "Scheme") under sections 230 to 232 read with section 66 and other applicable provisions of the Companies Act, read with (a) the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, as amended from time to time; (b) applicable regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and (c) relevant provisions of the Memorandum of Association and the Articles of Association of your Company.

The Scheme provides for the following:

i. Allcargo Logistics Limited ("Allcargo Logistics Limited" or "Demerged Company" or "Transferee Company 2") will be demerging its Business Division viz. International Supply Chain to Allcargo ECU Limited ("Resulting Company" or "AEL") and the consequent issue of equity shares by Resulting Company to the shareholders of the Demerged Company and subsequent listing of such equity shares;
ii. Further, the Contract Logistics Business and Express Logistics Business will be transferred by way of an amalgamation between Allcargo Supply Chain Private Limited (formerly known as Avvashya Supply Chain Private Limited) ("Transferor Company 1" or "ASCPL") and Gati Express & Supply Chain Private Limited (formerly known as Gati Kintetsu Express Private Limited) ("Transferor Company 2" or "GESCPL") into our Company ("Transferee Company 1" or "Transferor Company 3" or "AGL") and consequently the equity shares of Transferor Company 2 held by our Company, and of Transferor Company 1 and Transferor Company 2 held by the Demerged Company (hereinafter known as ("Amalgamation 1") shall stand cancelled; and
iii. iii. Post Amalgamation 1, our Company will be amalgamated into Transferee Company 2 and the Equity Shares held by Transferee Company 2 shall stand cancelled (hereinafter known as ("Amalgamation 2").

The Company has applied for and are currently awaiting regulatory approvals from the Stock Exchanges (BSE and NSE), pursuant to which other government and regulatory filings shall be made, as required.

Driving Digital Transformation and Innovation

As part of our ongoing commitment to building an organization with a digital heart, we have embarked on a journey to modernize and digitally transform our IT landscape. This transformation encompasses our core ERP application, Financial System, Procurement & Vendor Management, and other key applications, positioning us to stay ahead in a rapidly evolving market.

At the core of this transformation, our ERP system is being revamped into a more agile, cloud-based platform, utilizing the latest technology stack. This upgrade is designed to enhance customer experience and streamline business operations, ensuring ease of doing business. By incorporating artificial intelligence and machine learning, the system will automate routine tasks, driving efficiency and innovation across the organization.

To further strengthen our financial management, we have selected an industry-leading financial ERP system, which is slated to go live on April 1, 2024. This system will enable us to achieve better revenue management, cost control, and financial oversight, contributing to the overall health and sustainability of our business.

In our pursuit of cost control, operational excellence, and enhanced productivity, we continue to invest in in-house innovation. A prime example of this is the deployment of dimensional weighing and scanning machines at our mega hubs. These advanced machines help mitigate revenue loss by ensuring accurate measurement of dimensions and weight. Additional initiatives include the introduction of digital dockets for retail and MSME customers, digital onboarding processes for MSMEs, and the integration of telematics to track pickups and deliveries. These measures are designed to unlock significant value for our customers.

Collectively, these initiatives are expected to significantly enhance service quality, increase operational visibility, and ultimately drive higher levels of customer satisfaction.

Infrastructure and Operations:

The company has completed Phase one of its infrastructure amplification. With this the company now has six super hubs operational across locations like Delhi (Farukhnagar), Mumbai, Bangalore, Nagpur, Guwahati and Indore. These hubs have helped improve capacity and made the company future ready. The physical infrastructure combined with digital infrastructure will enable the company to become a powerhouse in the domestic express business. The newly developed infrastructure also has an impact on the operations since it enables faster loading and unloading, higher productivity, faster turnaround time, and improved load factor.

On the operations front there is focus on data analytics for data driven decision making. During the year the company also embarked on a nationwide program to train Gati associates. In phase one of the training conducted 738 out of the 3,000 associates were trained. There is immense pride on sharing that with the infrastructure in place and focus on operations the service parameters of the company have improved significantly and are now at par with the best in the business.

Sales Acceleration:

Our sales acceleration initiatives has enabled the company to deliver a robust performance during the year. The company has recorded its highest ever express business volume. The idea is to obtain an optimal sales mix between key accounts, MSME and Retail clients. During the year the management has set up an inside sales team to cater to the MSME clients, this team will aim to provide the right support at the right time to these clients. Regional key account managers have also been appointed to promote faster resolution of queries. Other initiatives like a re-designed SME incentive structure and digital onboarding of MSME clients are also in place.

The key focus of our sales acceleration initiatives continuous to remain client retention, increasing wallet share and identifying opportunities in new markets. Our dedicated sales force plays an important role in identifying opportunities in new territories.

Team:

The company has identified and hired for required positions. During the year the team was strengthened by addition of Mr. Sandeep Kulkarni who joined as the Chief Operating Officer and Mr. Uday Sharma who joined as the Chief Commercial Officer. Sandeep has over two decades of diversified experience, he has served in the Indian Navy. His corporate experience has been into Marketing, Corporate Strategy and Head of operations in fulfillment center. He led roles of P&L and Chief Supply Chain officer in his previous stints. Uday is a logistics and supply chain veteran with over two decades of experience in this space. Before joining Gati, Uday handled sales at various logistics organisations, including Delhivery, Spoton Logistics, Safe Express, and Aramex, among others.

11) Directors and Key Managerial Personnel (KMP)

Retirement by Rotation:

In accordance with the provisions of Section 152 of the Act, read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Mr. Pirojshaw Aspi Sarkari (DIN: 00820860), Managing Director & Chief Executive Officer of the Company, who retires by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment and the Board recommends his re-appointment.

There were no changes to the Directors and Key Managerial Personnel of the Company during the reporting period.

However, Mr. Pirojshaw Aspi Sarkari is superannuating from the services of the Company w.e.f. November 30, 2024. Further, the Board of Directors of your Company had approved the Appointment of Mr. Ketan Nishikant Kulkarni as an Additional Whole-time Director designated as Deputy Managing Director of your Company for a period of five consecutive years commencing from August 02, 2024 to August 01, 2029 (both days inclusive), subject to approval of shareholders of the Company at this Annual General Meeting.

12) Particulars of Employees and related Disclosures

The remuneration paid to your Directors is in accordance with the Nomination and Remuneration Policy as per Section 178 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force).

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended) and as per the provisions of Section 136(1) of the Act, the annual report is being sent to all the members excluding the statement showing names and other particulars of the top ten employees and employees drawing remuneration in excess of the limits prescribed under the said rules. The said statement is available for inspection at the request of the shareholders to be sent via e-mail at investor.services@allcargologistics.com up to the date of the 17th AGM of the Company.

13) Declaration by Independent Directors

Pursuant to sub-section (6) of Section 149 of the Companies Act, 2013, all the Independent Directors of your Company have given declaration that they have met the criteria of independence as required under the Companies Act, 2013.

In accordance with the provisions of Section 150 of the Act read with the applicable Rules framed thereunder, the Independent Directors of the Company have registered themselves in the Independent Directors data bank maintained by the Indian Institute of Corporate Affairs ("IICA"). The Independent Directors, unless exempted, are required to pass an online proficiency self-assessment test conducted by IICA within two years from the date of their registration on IICA databank.

14) Board Evaluation

The Board of Directors have appointed an Independent external agency i.e. HR Craft Business Consulting Private Limited to implement and finalize schedule, framework, mechanism for performance evaluation and assessment of Board, its committees, independent & non-independent directors as per the provisions of the Companies Act, 2013. The performance evaluation are as detailed below:

i. The performance of the board was evaluated after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

ii. The performance of the committees was evaluated after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

iii. The performance of non-independent directors, the Chairman of the Company and the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors.

iv. The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like understanding towards governance, meaningful and constructive contribution and inputs in meetings, etc.

v. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

15) Separate meetings of the Independent Directors

During the year under review, a meeting of the Independent Directors was convened on March 07, 2024, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

16) Particulars of Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, forms part of the Financial Statements of the company.

17) Corporate Social Responsibility (CSR)

In terms of section 135 and Schedule VII of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 made thereunder, the Board of Directors of your Company have constituted a CSR Committee.

The brief outline of the Corporate Social Responsibility (CSR) Policy of your Company and the initiatives undertaken on CSR activities during the year are set out in **Annexure-A** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

18) Related Party Transactions

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. The disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is not applicable.

Further all Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval for normal company transactions is also obtained from the Audit Committee for the related party transactions which are of repetitive nature as well as for the normal company transactions which cannot be foreseen and accordingly the required disclosures are made to the Committee on quarterly basis in terms of the approval of the Committee.

Your Directors have on the recommendation of the Audit Committee, adopted a RPT policy to regulate transactions between your Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013 and the Rules made thereunder.

19) Committees of the Board

The Board Committees focus on specific areas and take informed decisions within the authority delegated. Each such Committee is guided by its Charter, which defines the composition, scope and powers. The Committees also make specific recommendations to the Board on various matters whenever required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval.

The Company has three Board-level Committees, namely:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Corporate Social Responsibility Committee

20) Meetings of the Board & Committees

During the financial year 2023-24, the Board met eight (8) times: on April 03, 2023, May 15, 2023, May 31, 2023, June 08, 2023, August 04, 2023, November 03, 2023, December 21, 2023 and February 02, 2024. The below table gives the attendance of the Directors in the board meetings:

Sl. No	Name of the Director	No. of Board meetings entitled to attend	No. of Board meetings attended
1.	Mr. Adarsh Sudhakar Hegde*	2	2
2.	Mr. Nilesh Shivji Vikamsey	8	8
3.	Mr. Dinesh Kumar Lal	8	8
4.	Ms. Sheela Bhide #	4	4
5.	Mrs. Arathi Shetty#	4	0
6.	Mr. Vibhu Prakash#	4	4
7.	Mr. Masaru Kobayashi#	4	4
8.	Mr. Shashi Kiran Shetty @	6	4
9.	Mr. Pirojshaw Aspi Sarkari $	6	5
10.	Ms. Vinita Dang Mohoni %	4	4

* Resigned from the position of Chairman and Managing Director of the company w.e.f. May 31, 2023.
# Resigned from the Board of the Company w.e.f. June 08, 2023.

@ Appointed as Chairman & Non-Executive Director of the Company w.e.f. May 31, 2023.
$ Appointed as Managing Director & Chief Executive Officer of the Company w.e.f. May 31, 2023.
% Appointed as Independent Director (Non-Executive) of the Company w.e.f. June 17, 2023.

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

I. **Audit Committee** –The committee met four times on May 15, 2023, August 02, 2023, November 03, 2023, December 21, 2023 and February 02, 2024.
II. **Nomination & Remuneration Committee** –The Committee met once on May 31, 2023.
III. **Corporate Social Responsibility Committee** –The Committee met once on May 15, 2023.

I. Audit Committee

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

Sr. No.	Name	Position
1.	Mr.Nilesh Shivji Vikamsey	Chairman
2.	Ms.Vinita Dang Mohoni	Member
3.	Mr. Dinesh Kumar Lal	Member

II. Nomination & Remuneration Committee

Pursuant to the provisions of the Companies Act, 2013 and rules made thereunder, your company has re-constituted Nomination & Remuneration Committee during the current year, comprising of the following Members:

Sr. No.	Name	Position
1.	Mr. Dinesh Kumar Lal	Chairman
2.	Mr. Nilesh Shivji Vikamsey	Member
3.	Ms. Vinita Dang Mohoni	Member

III. Corporate Social Responsibility Committee

Pursuant to the provisions of the Companies Act, 2013 and rules made thereunder, your company has re-constituted Corporate Social Responsibility Committee during the current year, comprising of the following Members:

Sr. No.	Name	Position
1.	Ms. Vinita Dang Mohoni	Chairperson
2.	Mr. Dinesh Kumar Lal	Member
3.	Mr. Pirojshaw Aspi Sarkari	Member

21) Vigil Mechanism

The Whistle-blower Policy has been approved and adopted by the Board of Directors of the Company in compliance with the provisions of Section 177 (10) of the Companies Act, 2013.

The Policy also provides protection to the employees and business associates who report unethical practices and irregularities.

22) Policy on prevention of Sexual Harassment at workplace

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made thereunder, your Company has constituted Internal Complaints Committee.

The Company has taken several initiative across the organization to build awareness amongst employees about the Policy and the provisions of Prevention of Sexual Harassment of Women at Workplace Act.

During the year under review, the Company was in receipt of one complaint under POSH, and the same stands resolved under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

23) Directors' Responsibility Statement

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind-AS) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair value, the provision of the Act (to the extent notified). The Ind-AS are prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 effective April 01, 2016, the company has adopted all the Ind-AS standards and the adoption was carried out in accordance with applicable transition guidance. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Pursuant to the requirement under section 134(5) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement relating to the Company, it is hereby confirmed:

1. That in the preparation of the Annual Accounts for the financial year ended March 31, 2024, the applicable accounting standards and schedule III of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force), have been followed along with the proper explanation relating to material departures;

2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit and loss of the Company for the financial year ended March 31, 2024;

3. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force), for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. That the accounts have been prepared on 'going concern' basis, for the financial year ended March 31, 2024;

5. That the Company, had laid down internal financial controls and that such internal financial controls are adequate and were operating effectively;

6. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

24) Extract of Annual Return

Pursuant to sub-section (3) of Section 92 of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as at March 31, 2024 in Form MGT-7 is available on the website of the Company at www.gati.com

25) Development and Implementation of Risk Management Policy

Your company has a well-defined process in place to ensure appropriate identification and treatment of risks. Risk identification exercise is inter-woven with the annual planning cycle which ensures both regularity and comprehensiveness. The identification of risk is done at strategic, business, operational and process levels. While the mitigation plan and actions for risks belonging to strategic, business and key critical operational risks are driven by senior leadership, for rest of the risks, operating managers drives the conception and subsequent auctioning of mitigation plans.

All risks are well integrated with functional and business plans and are reviewed on a regular basis by the senior leadership.

26) Internal Control Systems and their Adequacy

Your Company has in place an adequate system of internal controls commensurate with its size and nature of operations, along with a well-defined organization structure, documented policy guidelines and procedures, as well as pre-defined delegation of authority covering all corporate functions and all operating units. These internal controls are designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the adequacy of protecting the company's assets from unauthorized use or losses, the reliability of financial controls and compliance with applicable laws and regulations.

Adequate internal control measures are in the form of various policies and procedures issued by the management covering all critical and important activities viz. Contract Management, Operations, Procurement, Finance, Human Resources, Safety etc. These policies and procedures are updated from time to time and compliance is monitored by Internal Audit function. The company has continued its efforts to align all its processes and controls with global and industry best practices. The internal audit function based on the audits of operating units and corporate functions, highlights various risks and provides constructive recommendations on a regular basis for the Operating Units to improve on moderate and high-risk areas.

The effectiveness of internal controls is reviewed through the internal audit process, which is undertaken for every Operating Unit and all major corporate support functions under the direction of the Head Internal Audit. The focus of these reviews is as follows:

- Identify weaknesses and areas of improvement
- Compliance with defined policies and processes
- Safeguarding of tangible and intangible assets
- Management of business and operational risks
- Compliance with applicable statutes
- Compliance with the Code of Conduct

The Audit Committee of the Board oversees the adequacy of the internal control environment through regular reviews of the audit findings and monitoring implementations of internal audit recommendations through the action taken reports submitted to them. A gist of the significant features of the internal controls is as follows:

- The Audit Committee comprising of Independent Directors, regularly reviews the audit plans, significant audit findings, implementations of internal audit recommendations, adequacy of internal controls, compliance with accounting standards as well as reasons for changes in accounting policies and practices, if any.

- A well-established and independent Internal Audit team consisting of professionally qualified accountants and functional specialists who are empowered to examine/audit the adequacy, relevance and effectiveness of the control systems, compliance with policies, plans and statutory requirements.

- Process narratives and Risk Control Matrix for all major business processes and testing thereof including financial closing, IT General Controls and Entity Level controls which are reviewed for improvements.

- Continual programmes to reinforce the Code of Business Conduct & Ethics are conducted regularly across the organisation.

- Anti-fraud programmes including whistle blower mechanisms are operative across the company.

The Board takes responsibility for the overall process of risk management throughout the organisation. During the financial reporting period ending March 2024, the company has conducted an assessment of the effectiveness of the internal financial control over financial reporting and it has in place, adequate internal financial controls with reference to financial statements, commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed and the controls are continuously reviewed for improvements.

27) Governance, Compliance and Business Integrity

The Legal function of your Company continues to be a valued business partner that provides solutions to protect your Company and enable it to win in the volatile, uncertain, complex and ambiguous environment. Through its focus on creating 'value with values', the function provides strategic business partnership in the areas including claims, legislative changes, combatting unfair competition, business integrity and governance.

As the markets continue to be disrupted with newer technologies and ever-evolving consumer preferences, the need to have a framework around data security and privacy is paramount. Your Company continues to ensure it has an appropriate framework and safeguards for data privacy of its stakeholders with enhanced legal and security standards.

Your Company is of the view that the menace of counterfeits can be effectively addressed if enforcement actions are supplemented with building awareness amongst the consumers of tomorrow.

28) Auditors

a) Statutory Auditors

M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 101049W/E300004) appointed as Statutory Auditors of the Company at the 15th Annual General Meeting ("AGM") till the conclusion of the 20th AGM of the company to be held in the year 2027 in terms of Section 139 & 141 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, have confirmed their eligibility and qualification under Section 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules issued thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India.

The Auditors' Report for the financial year ended March 31, 2024 on the financial statements of the Company is a part of this Annual Report. The Auditors have given an unqualified opinion on the financial statements of the Company.

b) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. Puttaparthi Jagannatham & Co., as Secretarial Auditor to undertake the Secretarial Audit of your Company. The Report of the Secretarial Audit is annexed as **Annexure – B.**

29) Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

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

30) Human Resources

Nurturing human capital is of utmost importance for your company and it focusses on building a skilled resource pool while providing a healthy and safe environment for the employees to grow. The organisation had initiated project NEEV which is based on the principles of inclusion, empowerment and unity in variety. The idea is to enhance employee engagement, focus on the learning & development programme, improve processes, employee effort and productivity, provide adequate infrastructure and hygiene and save on cost and time. The entire talent management process is based on the concept of three E's which are education, experience and exposure.

During the year in review, our focus remained steadfast on enhancing employee development through structured learning and development (L&D) programs. These initiatives were rolled out comprehensively across all organizational levels, fostering growth opportunities from executives to senior leadership. In conjunction with our L&D efforts, employees benefited from enhanced exposure and career advancement prospects within the organization. Notably, our strategic initiatives have yielded a significant reduction in regrettable attrition to 6% as compared to the previous year's 18%. Human Resources continues to serve as a vital facilitator, pivotal in aligning our workforce with organizational objectives.

Looking ahead, our strategic agenda will prioritize role-specific development frameworks aimed at optimizing employee productivity across all functions. We have also forged impactful leadership development partnerships, notably with IIM Mumbai, to cultivate high-caliber leadership capabilities within our ranks. Our commitment remains steadfast in nurturing talent through robust career planning and continuous engagement initiatives. Additionally, we are dedicated to enhancing employee well-being through comprehensive wellness programs, reinforcing our commitment to maintaining strong HR processes.

31) Employees Stock Appreciation Rights ("ESARs")

During the year under review, the Holding Company granted ESARs to eligible employees of the Company in addition to the ESARs granted during the previous year to the eligible employees of the Company under Gati-Employees Stock Appreciation Rights Plan 2021 ("ESAR Plan 2021"), with a view to attract and retain the senior talents and reward them for their performance and to contribute to the growth & profitability of the Company.

The aforesaid ESARs shall vest to respective eligible employees as per the vesting schedule as per the ESAR Plan 2021 of the Holding Company.

32) General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the financial year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise;
2. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;
3. During the period under review, none of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143 (12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force);
4. The Company has complied with Secretarial Standards (i.e.) SS-1 and SS-2, relating to Meetings of the Board of Directors and General Meetings, issued by the Institute of Company Secretaries of India.
5. There were no material changes commitments affecting the financial position of the Company between the end of financial year (March 31, 2024) and the date of the report (August 02, 2024);
6. During the year under review, your Company did not accept any public deposits.
7. The company does not have any subsidiaries, joint venture or associate companies.

8. Company is not required to maintain cost records under Section 148(1) of the Companies Act, 2013.

Acknowledgement

Your Directors thank various departments of Central and State Government, Organizations and Agencies for the continued help and co-operation extended by them to your company. Your Directors also gratefully acknowledge all stakeholders of the Company viz. members, customers, dealers, vendors, Financial Institutions, banks and other business partners for the excellent support received from them during the year. Your Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

Place: Hyderabad
Date: August 02, 2024

By order of the Board of Directors
For **Gati Express & Supply Chain Private Limited**
(formerly known as "Gati-Kintetsu Express Private Limited")

Sd/-
Shashi Kiran Shetty
Chairman
DIN: 00012754

Annexure-A

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FY 2023-24

<table>
<tr><td>1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.</td><td>The Company strives to be a socially responsible corporate by fulfilling its responsibilities as a member of the society and community, thereby creating a positive impact to the stakeholders with a concern towards the environment. The programs include Education, Community, Environment Sustainability and Rural Development Projects & Donations.

CSR Policy https://www.gati.com/wp-content/uploads/2021/06/CSR-Policy.pdf
CSR Projects https://www.gati.com/csr/</td></tr>
<tr><td>2. The Composition of the CSR Committee</td><td>
<table>
<tr><td>S.No.</td><td>Name of the Director</td><td>Designation and Nature of Directorship</td><td>Number of meetings of CSR Committee held during the year</td><td>Number of meetings of CSR Committee attended during the year</td></tr>
<tr><td>1</td><td>Mr. Vibhu Prakash Annaswamy #</td><td>Chairman-Nominee Director</td><td>1</td><td>1</td></tr>
<tr><td>2</td><td>Ms. Sheela Bhide #</td><td>Member – Non Executive Independent Director</td><td>1</td><td>1</td></tr>
<tr><td>3</td><td>Mr. Adarsh Hegde*</td><td>Member-Managing Director</td><td>1</td><td>1</td></tr>
<tr><td>4</td><td>Ms. Vinita Dang Mohoni%</td><td>Chairperson-Non Executive Independent Director</td><td>NA</td><td>NA</td></tr>
</table>
</td></tr>
</table>

<table>
<tr>
<td></td>
<td>
<table>
<tr><td>5</td><td>Mr. Dinesh Kumar Lal@</td><td>Member – Non Executive Independent Director</td><td>NA</td><td>NA</td></tr>
<tr><td>6</td><td>Mr. Pirojshaw Aspi Sarkari$</td><td>Member- Managing Director & Chief Executive Officer</td><td>NA</td><td>NA</td></tr>
</table>
Resigned from the board of the company w.e.f. June 08, 2023.
* Resigned from the position of Chairman and Managing Director of the company w.e.f. May 31, 2023.
% Appointed as Independent Director (Non-Executive) of the Company w.e.f. June 17, 2023.
@ Nominated as Member of the Corporate Social Responsibility Committee w.e.f. June 17, 2023.
$ Appointed as Managing Director & Chief Executive Officer of the Company w.e.f. May 31, 2023.
</td>
</tr>
<tr>
<td>3. Weblink for CSR Policy and approved CSR Projects</td>
<td>CSR Policy https://www.gati.com/wp-content/uploads/2021/06/CSR-Policy.pdf
CSR Projects https://www.gati.com/csr/</td>
</tr>
<tr>
<td>4. Impact Assessment of CSR Projects Carried out, if any</td>
<td>No Impact assessment was carried out by the company during the year as the company does not have an average CSR Obligation of ₹10 crore or more in 3 preceding Financial years.</td>
</tr>
<tr>
<td>5. Excess CSR Amount available for set off during the year</td>
<td>NIL</td>
</tr>
<tr>
<td>6. Average net profit of the Company for last three financial years for the purpose of computation of CSR</td>
<td>Rs. 8,93,87,886/-</td>
</tr>
<tr>
<td>7. (a) Two percent of average Net Profit as per Sec 135(5)</td>
<td>Nil</td>
</tr>
</table>

<table>
<tr>
<td>(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

(c) Amount required to be set off for the financial year, if any

(d) Total CSR Obligation for FY 2023-24</td>
<td>Nil

Rs. 24,94,117/-

Nil</td>
</tr>
<tr>
<td>8. (a) Details of CSR amount spent or unspent during the financial</td>
<td>
<table>
<tr><td rowspan="2">Total Amount Spent for the Financial Year (in Rs.)</td><td colspan="4">Amount Unspent (in Rs.)</td></tr>
<tr><td colspan="2">Total Amount transferred to Unspent CSR Account as per section 135(6)</td><td colspan="2">Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)</td></tr>
<tr><td></td><td>Amount</td><td>Date of Transfer</td><td>Amount</td><td>Date of transfer</td></tr>
<tr><td>12,88,700/-</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
</table>
</td>
</tr>
<tr>
<td>(b) Amount spent against ongoing projects for the FY 2023-24

(c) Amount spent against other than ongoing projects for the FY 2023-24

(d) Amount spent on administrative overheads

(e) Amount spent on Impact Assessment, if applicable

(f) Total amount spent for FY 2023-24</td>
<td>NIL

Please find the Table A attached hereunder

NIL

NIL</td>
</tr>
</table>

(g) Excess amount for set off, if any	Rs. 12,88,700/- Rs. 24,94,117/-
9. (a) Details of Unspent CSR amount for the preceding three financial years. (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s).	NIL NIL
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year	NIL
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).	As per the provisions of section 135 of the Companies Act, 2013, company has spent the entire CSR obligation in FY 2023-24.

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No	**Name of the Project**	**Item from the list of activities in schedule VII to the Act.**	**Local area (Yes/ No)**	**Location of the project.**		**Amount spent for the project (in Rs.).**	**Mode of implementation - Direct (Yes/No).**	**Mode of implementation - Through implementing agency**	
				State	**District**			**Name**	**CSR Reg. No.**
1	Gati Government High School, Banjara Hills, Hyderabad	Education	Yes	Hyderabad, Telangana		6,11,604/-	Direct	NA	

2	Gati Government High School, Banjara Hills, Hyderabad	Education	Yes	Hyderabad, Telangana	1,08,000/-	Direct	NA
3	Gati Government High School, Banjara Hills, Hyderabad	Education	Yes	Hyderabad, Telangana	2,54,100/-	Direct	NA
4	Zilla Parishad High School, Miyapur, Hyderabad	Education	Yes	Hyderabad, Telangana	3,14,996/-	Direct	NA
TOTAL					**12,88,700/-**		

Sd/-

Shashi Kiran Shetty
Chairman
DIN: 00012754

Sd/-

Vinita Dang Mohoni
Chairperson - CSR
Committee DIN: 01919140

Place: Hyderabad
Date: August 02, 2024

PUTTAPARTHI JAGANNATHAM & CO.
COMPANY SECRETARIES

Form No. MR-3
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT
For the Financial Year Ending 31st March 2024

To
The Members of
Gati Express & Supply Chain Private Limited
(Formerly Gati-Kintetsu Express Private Limited)

We have conducted the Secretarial Audit pursuant to Section 204 of the Companies Act, 2013, on the compliance of applicable statutory provisions and the adherence to good corporate practices by **Gati Express & Supply Chain Private Limited (Formerly Gati-Kintetsu Express Private Limited)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Corporate Conducts/Statutory Compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2024 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(iii) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') shall not apply to the Company being an unlisted company.

We have also examined compliance with the applicable clauses of the following:

(iv) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to the Board and General Meeting.

Puttaparthi Jagannatham & Co. Company Secretaries ★Hyderabad★

315, Bhanu Enclave, Sundar Nagar, ESI, Hyderabad - 500 038, Telangana.
Tel : 040-23701964/ 23701374/ Mobile: 99852 82222
Email: pjandcofirm@gmail.com, csnavjyoth@gmail.com, Website: www.pjandco.info

(v) During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

(vi) Other Specifically applicable laws to the Company in respect of which we relied on the Internal Audit report and noted relevant compliances and observations made by the Internal Auditor:

(a) Carriage of Goods by Road Act, 2007
(b) Carriage of Goods by Air Act, 1972
(c) Carriage of Goods by Sea Act, 1925
(d) Motor Transport Workers Act, 1961
(e) Motor Vehicles Act, 1988
(f) Fatal Accidents Act, 1855
(g) The Factories Act, 1948
(h) Multimodal Transportation of Goods Act, 1993
(i) Railway Act, 1989
(j) The Air (Prevention and Control of Pollution) Act, 1981
(k) The Water (Prevention and Control of Pollution) Act, 1974
(l) Control of National Highways (Land and Traffic) Act, 2002

We further report that:

(i) based on the information provided by the Company, its officers, and its authorized representatives during the conduct of the audit and also on review of periodic reports by Company Secretary taken on record by the Board of Directors of the Company, adequate systems and processes and control mechanism exist in the company to monitor and ensure the compliance of with the applicable general laws like Labour laws, competition law and environment laws.

(ii) the Compliance by the Company of applicable accounting standards and taxation laws has not been reviewed in this Audit since the same have been subject to review by Statutory Financial Audit and Other designated professionals.

(iii) the constitution of the Board of Directors of the Company is duly constituted of Executive Directors, Non-Executive Directors, and Independent Directors in accordance with the applicable laws and regulations.

(iv) adequate notice is given to all Directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent electronically well in advance or shorter consent were taken in other cases, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(v) all the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

Puttaparthi Jagannatham & Co. Company Secretaries * Hyderabad *

We further report that:

(i) there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

(ii) there were no specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs except as reported in the Financial Audit Report.

We further report that:

- The Company Changed its name from Gati-Kintetsu Express Private Limited to Gati Express & Supply Chain Private Limited w.e.f 27th July, 2023 as approved by the Regional Director.
- Three MCA forms were filed late with an additional fee due to technical issue and subsequently, the Compliance has been met by the Company.
-

Place: Hyderabad
Date: 16th May, 2024

For Puttaparthi Jagannatham & Co.
Company Secretaries

CS Navajyoth Puttaparthi
Partner
FCS No: 9896; C P No: 16041
Peer Review Certificate No. 1158/2021
UDIN: F009896F000381410

**This report is to be read with our letter with given date which is annexed as 'Annexure A' and forms an integral part of this report.*

'ANNEXURE A'

To
The Members of
Gati Express & Supply Chain Private Limited
(Formerly Gati-Kintetsu Express Private Limited)

Our report with given date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Hyderabad
Date: 16th May, 2024

For Puttaparthi Jagannatham & Co.
Company Secretaries

Puttaparthi Jagannatham & Co. Company Secretaries Hyderabad

CS Navajyoth Puttaparthi
Partner
FCS No: 9896; C P No: 16041
Peer Review Certificate No. 1158/2021
UDIN: F009896F000381410

Annexure-C

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo
[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

A) First mile automation (E-Docket):

Further to the successful roll out of first of its kind Paperless Shipment Booking Process (e-AWB) for retail customer in last financial year, this year as planned the e-docket facility has been extended to our MSME and Strategic customers with 85% compliance level.

Additionally, two major initiatives have been rolled out successfully during this financial year which has helped significantly in enhancing the efficiency and accuracy.

a. We have upgraded our booking application to capture docket (AWB) details by scanning the e-waybill QR code and capturing the information from the E-waybill site for complete and accurate data.
b. All our pickup personnel have been equipped with mobile label printer to print the package sticker in real time at the point of pick up, thus reducing the pick-up time significantly.

B) ERP Transformation (GEMS 2.0) update:

The GEMS 2.0 project was launched in August 24 and the study and design phase has been progressing as scheduled by the technology partner. The technology infrastructure environment has been setup on the cloud successfully including security configurations for starting the development of the application. As part of the GEMS 2.0 other related projects of Master Data Management (MDM) and Data Lake (DL) creation have also been initiated and have progressed well. Both these projects would go live in the first half of next year.

C) Last mile automation (Telematics):

Our delivery app is further enhanced with telematics solution to provide real time visibility of vehicle current position and delivery partner's travelling route path etc. This has strengthened our team's ability to monitor the delivery related activity proactively. Capturing the consignee's address and tagging it with unique code is another innovative feature added to the application. At 25 locations these new features are rolled out as pilot. As this application has been very successful, the same would be rolled out to all business partners, across the country by Q2-25 post appropriate training.

D) Foreign Exchange earnings and outgo:

The company had following Foreign exchange earnings and outgo during the year 2023-24:

Particulars	**Amount in Rs.**
Inward Remittance	79,51,804
Outward Remittance	7,05,238

INDEPENDENT AUDITOR'S REPORT

To the Members of Gati Express and Supply Chain Private Limited (formerly known as Gati Kintetsu Express Private Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Gati Express and Supply Chain Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2 (i)(vi) below on reporting under Rule 11(g);

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

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, specified under section 133 of the Act;

(e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 36 to the financial statements;

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

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

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

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

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

v. No dividend has been declared or paid during the year by the Company.

vi. Based on our examination which included test checks, the Company has used five accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except, as explained in note 49 to the financial statements, audit trail at application level in case of 2 softwares was enabled for substantial part of the year. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where audit trail was enabled.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Aniket A Sohani
Partner
Membership Number: 117142
UDIN: 24117142BKDHZN5096
Place of Signature: Mumbai
Date: May 16, 2024

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date on the Financial Statements of Gati Express and Supply Chain Private Limited ("the Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(a)(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 3 to the financial statements are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) As disclosed in note 23 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns / statements filed by the Company with such banks and financial institutions are in agreement with the unaudited books of accounts of the Company.

(iii) (a) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which had fallen due during the year.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of Sections 185 and 186 of the Act, are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the products / services of the Company.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provision of Sales-tax, service tax, duty of custom, duty of excise, value added tax are not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of the customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

(Amount in lakhs)

Name of statue	Nature of dues	Amount	Period to which amount pertains	Forum where dispute is pending
Income Tax Act,1961	Income tax	343.41	AY 2014-2015 AY 2018-2019	Income Tax Appellate Tribunal Commissioner (Appeals)
Sales Tax Acts of various States	Sales Tax	322.6	2013 - 2018	Assistant Comm, Commercial Tax, Mobile Squad Unit-4 Commercial Tax Mathura
CGST Act, 2017	GST	549.98	2017-2019	Appellate Authority – up to Commissioners

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

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

(xii) (a), (b), (c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 46 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 33.2 to the financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 33.2 to the financial statements.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per **Aniket A Sohani**
Partner
Membership No.: 117142
UDIN: 24117142BKDHZN5096
Mumbai
May 16, 2024

ANNEXURE '2' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF Gati Express and Supply Chain Private Limited

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

We have audited the internal financial controls with reference to financial statements of Gati Express and Supply Chain Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI") .These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls With Reference to these Financial Statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per **Aniket A Sohani**
Partner
Membership No.: 117142
UDIN: 24117142BKDHZN5096
Mumbai
May 16, 2024

Gati Express & Supply Chain Private Limited (Formerly known as Gati Kintetsu Express Private Limited)
Balance Sheet as at March 31, 2024

(All amounts in Indian Rupees lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, Plant and Equipment	3	5,704	5,820
Right-of-use Asset	4	22,085	18,224
Goodwill	5	12,506	12,506
Other Intangible Assets	6	214	333
Intangible Assets under Development	7	371	59
Financial Assets			
Other Financial Assets	8	1,495	1,039
Deferred Tax Assets, net	9	3,557	2,623
Income Tax Assets, net	10	5,201	6,022
Other Non-Current Assets	11	388	34
		51,521	**46,660**
Current assets			
Financial Assets			
Trade Receivables	12	24,000	26,237
Cash and Cash Equivalents	13	8,239	1,562
Other Bank Balances	14	106	86
Other Financial Assets	15	1,169	1,595
Other Current Assets	16	2,571	2,649
		36,085	**32,129**
Assets held for sale	17	-	4,965
		36,085	**37,094**
Total assets		**87,606**	**83,754**
Equity and Liabilities			
Equity			
Equity Share Capital	18	50	50
Other Equity	19	21,515	24,430
		21,565	**24,480**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	20	-	1
Lease Liabilities	21	19,246	16,008
Provisions	22	2,112	1,871
		21,358	**17,880**
Current liabilities			
Financial Liabilities			
Borrowings	23	17,909	14,600
Lease Liabilities	21	4,887	3,566
Trade Payables	24		
(a) Total outstanding dues of Micro and Small Enterprises		1,078	1,128
(b) Total outstanding dues of creditors other than Micro and Small Enterprises		7,595	8,184
Other Financial Liabilities	25	10,387	11,107
Other Current Liabilities	26	1,724	1,496
Provisions	22	1,103	1,313
		44,683	**41,394**
Total liabilities		**66,041**	**59,274**
Total equity and liabilities		**87,606**	**83,754**
Material accounting policies	2		

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No: 101049W/E300004

Per Aniket A Sohani
Partner
Membership no: 117142

Place: Mumbai
Date: May 16, 2024

For and on behalf of the Board of Directors of Gati Express & Supply Chain Private Limited (Formerly known as Gati Kintetsu Express Private Limited)

CIN: U62200MH2007PTC390900

Shashi Kiran Shetty
Chairman
DIN: 00012754

Pirojshaw Sarkari
Managing Director
DIN: 00820860

Anish T Mathew
Chief Financial Officer
M. No. 211965

T S Maharani
Company Secretary
M No. F8069

Place: Hyderabad
Date: May 16, 2024

Gati Express & Supply Chain Private Limited (Formerly known as Gati Kintetsu Express Private Limited)
Statement of Profit and Loss for the year ended March 31, 2024

(All amounts in Indian Rupees lakhs, unless otherwise stated)

	Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
(I)	**INCOME**			
	Revenue from Operations	27	1,47,859	1,46,887
	Other Income	28	381	1,783
	TOTAL INCOME (I)		**1,48,240**	**1,48,670**
(II)	**EXPENSES**			
	Operating Expenses	29	1,11,457	1,05,795
	Employee Benefits Expense	30	17,451	18,508
	Finance Costs	31	3,208	2,998
	Depreciation and Amortization Expense	32	6,842	5,855
	Other Expenses	33	13,525	15,354
	TOTAL EXPENSES (II)		**1,52,483**	**1,48,510**
(III)	**PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)**		**(4,243)**	**160**
(IV)	Exceptional Items	34	782	893
(V)	**PROFIT/(LOSS) BEFORE TAX (III+IV)**		**(3,461)**	**1,053**
(VI)	**TAX EXPENSES**	35		
	Current Tax		235	1,273
	Deferred Tax		(895)	346
	Tax related to earlier years		-	(23)
	TOTAL TAX EXPENSES		**(660)**	**1,596**
(VII)	**LOSS FOR THE YEAR (V-VI)**		**(2,801)**	**(543)**
VIII)	**OTHER COMPREHENSIVE INCOME (OCI)**			
	Items not to be reclassified to profit or loss in subsequent periods:			
	a) Re-Measurement gains/(losses) on defined benefit plans		(153)	(798)
	b) Income tax effect on above item		39	201
	OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX)		**(114)**	**(597)**
(IX)	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VIII+VII)**		**(2,915)**	**(1,140)**
	EARNINGS PER EQUITY SHARE	41		
	[Nominal value per share ₹ 10/-]			
	Basic (in ₹)		(560.13)	(108.63)
	Diluted (in ₹)		(560.13)	(108.63)
	Material accounting policies	2		

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No: 101049W/E300004

Per Aniket A Sohani
Partner
Membership no: 117142

Place: Mumbai
Date: May 16, 2024

For and on behalf of the Board of Directors of Gati Express & Supply Chain Private Limited (Formerly known as Gati Kintetsu Express Private Limited)
CIN: U62200MH2007PTC390900

Shashi Kiran Shetty
Chairman
DIN: 00012754

Pirojshaw Sarkari
Managing Director
DIN: 00820860

Anish T Mathew
Chief Financial Officer
M. No. 211965

T S Maharani
Company Secretary
M No. F8069

Place: Hyderabad
Date: May 16, 2024

Gati Express & Supply Chain Private Limited (Formerly known as Gati Kintetsu Express Private Limited)
Cash Flow Statement for the year ended March 31, 2024

(All amounts in Indian Rupees lakhs, unless otherwise stated)

PARTICULARS	Year ended March 31, 2024	Year ended March 31, 2023
(A) Cash flows from Operating Activities		
Profit/(Loss) Before Taxes and after exceptional items as per Statement of Profit and Loss	(3,461)	1,053
Adjustments for :		
Depreciation & Amortization expense	6,842	5,855
Finance costs	3,208	2,998
Net (gain)/ loss on sale of Property, Plant and Equipment	26	(21)
Impairment Reversed on the Property ,Plant and Equipment	(50)	-
Impairment Reversed in the realisable value of Non-core assets	-	(1,203)
Net gain on disposal of Non-core Assets	(758)	(225)
Net loss on write off of Property, Plant and Equipment	26	535
Interest Income from deposits with Bank and Others	(26)	(6)
Interest Income from Unwinding of Other Financial Assests	(140)	(89)
Interest on Income Tax Refund	(95)	(149)
Allowance for Expected Credit Loss	31	2,406
Allowance for Other Financial Assets	70	27
Bad debts and irrecoverable balances written off (Net of allowances)	10	124
Net gain on lease modification	(77)	(22)
Liabilities no longer required - written back	(41)	(1,467)
Provision for Employees Share Appreciation Rights	371	836
Operating profits before working capital changes	**5,936**	**10,652**
Decrease /(Increase)in Trade Receivables	2,206	(5,678)
Decrease in Other Assets	79	252
Increase in Other Financial Assets	(515)	(83)
Increase/(Decrease) in Liabilities	238	(63)
(Decrease) /Increase in Trade Payables	(640)	15
(Decrease) /Increase in Provisions	(122)	355
(Decrease) /Increase in Other Financial Liabilities	(375)	934
Cash generated from Operating Activities	**6,807**	**6,384**
Direct Taxes paid (net of refunds)	681	(870)
Net Cash Flows generated from Operating Activities (A)	**7,488**	**5,514**
(B) Cash Flow from Investing Activities		
Expenditure on Property, Plant and Equipment Including Lease improvement.	(2,059)	(3,226)
Expenditure on Intangible assets and Intagible assets under development	(390)	-
Proceeds from sale of Property Plant and Equipment	160	81
Proceeds from sale of non-core assets	5,713	4,611
Interest Received	24	155
Investment in Bank Fixed Deposit, net	(20)	(61)
Net Cash Flows generated from Investing Activities (B)	**3,428**	**1,560**
(C) Cash Flow from Financing Activities		
Repayment of Long Term Borrowings	(11)	(1,013)
Proceeds of Short Term Borrowings, net	3,319	784
Interest paid	(1,264)	(1,266)
Payment of interest on Lease liabilities	(1,893)	(1,647)
Payment of Principal portion of Lease liabilities	(4,390)	(3,295)
Net Cash Flows used in Financing Activities (C)	**(4,239)**	**(6,437)**
Net Increase in cash and cash equivalents (A + B + C)	**6,677**	**637**
Cash and Cash equivalents at the beginning of the year	1,562	926
Cash and Cash equivalents at the end of the year	8,239	1,562

Notes :
1. The above Statement of Cash Flow has been prepared under the " Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.

2. Component of Cash & Cash Equivalents	As at March 31, 2024	As at March 31, 2023
Cash on Hand	4	5
Balances with Banks in Current Accounts	3,179	1,557
Deposits with original maturity of less than three months	5,056	-
Cash & Cash Equivalent as per Balance sheet (Refer Note 13)	8,239	1,562

Gati Express & Supply Chain Private Limited (Formerly known as Gati Kintetsu Express Private Limited)
Cash Flow Statement for the year ended March 31, 2024

(All amounts in Indian Rupees lakhs, unless otherwise stated)

Reconciliation of movements of liabilities to cash flows arising from financing activities.

	Short Term Borrowings	Long Term Borrowings*	Lease liabilities
Balance as at April 01, 2022	13,806	1,024	17,195
Cash Flow Changes, net	784	(1,013)	(4,942)
On account of Ind AS 116	-	-	7,321
Others	-	-	-
Balance as at March 31, 2023	**14,590**	**11**	**19,574**
Balance as at April 01, 2023	14,590	11	19,574
Cash Flow Changes, net	3,319	(11)	(6,283)
On account of Ind AS 116	-	-	10,843
Others	-	-	-
Balance as at March 31, 2024	**17,909**	**-**	**24,134**

(*) Includes current maturities of long term borrowings

As per our report of even date attached

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No: 101049W/E300004

Per Aniket A Sohani
Partner
Membership no: 117142

Place: Mumbai
Date: May 16, 2024

For and on behalf of the Board of Directors of Gati Express & Supply Chain Private Limited (Formerly known as Gati Kintetsu Express Private Limited)
CIN: U62200MH2007PTC390900

Shashi Kiran Shetty
Chairman
DIN: 00012754

Pirojshaw Sarkari
Managing Director
DIN: 00820860

Anish T Mathew
Chief Financial Officer
M. No. 211965

T S Maharani
Company Secretary
M No. F8069

Place: Hyderabad
Date: May 16, 2024

Gati Express & Supply Chain Private Limited (Formerly known as Gati Kintetsu Express Private Limited)
Statement of Changes in Equity for the year ended March 31, 2024

(All amounts in Indian Rupees lakhs, unless otherwise stated)

A) Equity Share Capital

Particulars	No. of Shares	Amount
Balance as at April 1, 2023	5,00,000	50
Add/(Less): Changes in Equity Share Capital for the year ended March 31, 2024	-	-
Balance as at March 31, 2024	**5,00,000**	**50**

Particulars	No. of Shares	Amount
Balance as at April 1, 2022	5,00,000	50
Add/(Less): Changes in Equity Share Capital for the year ended March 31, 2023	-	-
Balance as at March 31, 2023	**5,00,000**	**50**

B) Other Equity

Particulars	Reserves and Surplus			Total
	Securities Premium	General Reserve	Retained Earnings	
Balance as at April 1, 2023	**17,836**	**1,720**	**4,874**	**24,430**
Loss for the year	-	-	(2,801)	(2,801)
Other Comprehensive income for the year	-	-	(114)	(114)
Balance as at March 31, 2024	**17,836**	**1,720**	**1,959**	**21,515**

Particulars	Reserves and Surplus			Total
	Securities Premium	General Reserve	Retained Earnings	
Balance as at April 1, 2022	**17,836**	**1,720**	**6,014**	**25,570**
Loss for the year	-	-	(543)	(543)
Other Comprehensive income for the current year	-	-	(597)	(597)
Balance as at March 31, 2023	**17,836**	**1,720**	**4,874**	**24,430**

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No: 101049W/E300004

Per Aniket A Sohani
Partner
Membership no: 117142

Place: Mumbai
Date: May 16, 2024

For and on behalf of the Board of Directors of Gati Express & Supply Chain Private Limited (Formerly known as Gati Kintetsu Express Private Limited)
CIN: U62200MH2007PTC390900

Shashi Kiran Shetty
Chairman
DIN: 00012754

Pirojshaw Sarkari
Managing Director
DIN: 00820860

Anish T Mathew
Chief Financial Officer
M. No. 211965

T S Maharani
Company Secretary
M No. F8069

Place: Hyderabad
Date: May 16, 2024

Gati Express and Supply Chain Private Limited (formally known as Gati Kintetsu Express Private Limited)
Notes to the Financial Statements for the year ended March 31, 2024

Corporate and general information:
Gati Express and Supply Chain Private Limited ("the Company" or “GESCPL”) was incorporated in 2007 under provisions of Companies Act, 1956 having its Corporate Office at 4th floor, Western Pearl, Survey No.13(P), Kondapur, Hyderabad - 500084, Telangana, India. The Company is India’s pioneer and leader in Express Distribution and Supply Chain solutions. The business was transferred from Allcargo Gati Limited on April 01, 2012. Allcargo Gati Limited (“Holding Company”) holds 70% and Allcargo Logistics Limited (“Ultimate Holding Company”) holds the balance 30% equity stake in the Company. An intrinsic network that spans length and breadth of India – GESCPL has a reach of more than 99% of districts in India.

During the current year, the Registrar of Companies (ROC), Hyderabad and Registrar of Companies (ROC), Mumbai, Ministry of Corporate Affairs have approved form INC 22 giving effect to the change in the registered office address of the Company from “4th floor, Western Pearl, Survey No.13(P), Kondapur, Hyderabad - 500084, Telangana, India” to "4th Floor, B Wing, Allcargo House, CST Road, Kalina, Santacruz (East), Mumbai – 400 098" with effect from February 27, 2024.

(1) <u>Basis of Accounting</u>
1.1 Statement of Compliance
These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) read with Section 133 of the Companies Act, 2013 (the "Act"). The presentation of the Financial Statements is based on Division II Schedule III of the Companies Act, 2013.

The financial statements are approved by the Board of Directors at its meeting held on May 16, 2024.

1.2 Basis of Measurement
The financial statements have been prepared on a going concern basis using historical cost convention, except
- Financial Instruments - Measured at Fair value/ Amortised cost;
- Plan Assets under defined benefit plans–Measured at fair value;
- Employee Share based payments – Measured at fair value

1.3 Functional and Presentation Currency
All financial information presented in Indian rupees (INR) which is the Company’s functional currency, has been rounded to the nearest lakhs, unless otherwise stated.

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

Critical accounting estimates and judgments used are as below:
(i) Defined benefit obligation
(ii) Recognition of current tax and deferred tax
(iii) Recognition and measurement of provisions and contingencies
(iv) Fair value measurement of Financial instruments
(v) Allowance for expected credit losses of receivables
(vi) Allowance for bad and doubtful advances
(vii) Goodwill impairment

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

- Expected to be realized or intended to sell or consume in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

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

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

(2) Material Accounting Policies:

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

2.1 Property, plant and equipment

Recognition and Measurement:

Property, plant and equipment (PPE) held for use in the supply of goods or services, or for administrative purposes, are stated in the balance sheet at acquisition cost net of accumulated depreciation and cumulative impairment losses, if any.

The initial cost at cash price equivalent of property, plant and equipment acquired comprises its purchase price after deducting trade discounts and rebates, including import duties and non-refundable purchase taxes, any directly attributable costs of bringing the assets to its working condition and location and present value of any obligatory decommissioning costs for its intended use. Administrative, Borrowing and other general overhead expenses that are specifically attributable to construction or acquisition of PPE or bringing the PPE to working condition are allocated and capitalized as a part of cost of PPE, if PPE meets the criteria of qualifying assets. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Capital work in progress and Capital Advances:

Capital work-in-progress represents Property, Plant and Equipment that are not yet ready for their intended use as at the Balance sheet date.

Capital advances given towards purchase/ acquisition of PPE outstanding at each balance sheet date are classified as capital advances under Other Non-current Assets.

Non-current assets held for sale:

Assets are classified as Non-current assets held for sale and are presented separately in the Balance Sheet when the following criteria are met

- the Company is committed to selling the assets;
- the assets are available for sale immediately;
- an active plan of sale has commenced; and
- sale is expected to be completed within 12 months.

Assets held for sale and disposal groups are measured at lower of their carrying amount and fair value less cost to sell. Assets held for sale are no longer amortized or depreciated.

Subsequent Expenditure:

- Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it 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:

- Depreciation on assets is provided on straight-line method at the rates determined based on the useful lives of respective assets as prescribed under Schedule II of the Companies act, 2013 as follows:

Category	**Useful lives (in years)**
Building	30 to 60
Plant and machinery	5 to 15
Vehicles – Cars	8
Commercial Vehicles	8
Furniture and fixtures	10
Computers	3 to 6
Office equipments	3 to 5

- Freehold land is not depreciated.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed-off).
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if required.

De-recognition Assets:

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

2.2 Intangible Assets:

Intangible assets are stated at acquisition cost net of accumulated amortization and cumulative impairment, if any. The Company capitalizes identifiable costs relating to development of internally generated software and these are stated net of accumulated amortization. Intangible assets are amortised on straight line basis over its estimated useful life.

Estimated economic useful lives of the intangible assets is 3 to 6 years.

Intangible assets under development comprise costs relating to development of software that are not yet ready for their intended use as at the balance sheet date.

The carrying amount of the intangible asset is derecognized on disposal or when no future economic benefit is expected from its use. Any gain or loss is recognized in the statement of Profit and loss.

2.3 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 identifiable asset for a period of time in exchange for consideration.

Company as a lessee

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

(i) Right-of-use Assets (ROU Assets)

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

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(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.

2.4 Impairment of assets:

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

b. Assets that are subject to depreciation and amortization 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. Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired

d. CGUs to which goodwill is allocated are tested for impairment annually on each balance sheet date, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit and then to the other assets of the unit pro rata on the basis of carrying amount of each asset in the unit. Goodwill impairment loss recognized is not reversed in subsequent period.

e. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

f. Goodwill arising on business combination is carried at cost as established at the transaction date of business combination. Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than it's carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

2.5 Foreign currency Transactions:

a. The financial statements are presented in Indian Rupee (INR), which is the functional and presentation currency of the Company.
b. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction.
c. At each balance sheet date, foreign currency monetary items are restated using the closing exchange rate.
d. Any exchange difference on account of settlement of foreign currency transactions and restatement of monetary assets and liabilities denominated in foreign currency is recognized in the Statement of Profit and Loss.
e. Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

2.6 Revenue recognition:

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net off variable consideration) allocated to the performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various elements like discounts etc. offered by the Company as part of the contract. The variable consideration is estimated based on the expected value of outflow.

a. Freight services:

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

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

b. Others:

I. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and amount of income can be measured reliably.
II. Rent income is recognised on a straight-line basis over the period of the lease.
III. Business support charges are recognized as and when the related services are rendered.

2.7 Trade receivables:

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

2.8 Financial instruments:

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

(i) Financial assets:

a) Initial recognition and measurement:

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

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

Financial asset are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial asset. In the case of financial assets, not recorded at fair value through profit or loss (FVPL), financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

- **Financial assets at amortized cost:**

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

a) The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

Financial assets are measured at the FVOCI if both of the following conditions are met:
(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets and
(b) The asset's contractual cash flows represent SPPI.
Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value.
Fair value movements are recognized in the other comprehensive income (OCI).

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

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

b) Subsequent measurement

For purposes of subsequent measurement:

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

b) Financial Liability:

Financial liabilities are classified and measured at amortized cost or FVTPL

(a) Initial Recognition & Subsequent measurement:

- **Financial liabilities recognized at fair value through profit or loss (FVTPL):**

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

- **Financial liabilities at amortized cost:**

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

- **Financial guarantee liability:**

Financial guarantee contracts issued by the Company are those contracts that requires a payment to be made to the holder for a loss it incurs because, the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.
Financial guarantee contracts are recognized initially as a liability at fair value net off transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortisation.

c) Impairment of Financial Assets:

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

If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Company uses historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates to determine impairment loss allowance on portfolio of its trade receivables.

d) De-recognition:

a) Financial Assets:

The Company derecognizes a financial asset only

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

b) Financial liabilities:

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

(v) Offsetting:

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

2.8 <u>Fair Value measurement</u>:

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

2.9 <u>Employee benefits:</u>

a) Current employee benefits

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

b) Defined contribution plan:

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions of employee provident fund to Government administered provident fund and Employee State insurance scheme which is defined contribution plans. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the statement of Profit and Loss in the periods during which the related services are rendered by employees.

c) Defined benefit plan:

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in Other comprehensive income (OCI).The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately in Statement of profit and Loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The contributions are deposited with the Life Insurance Corporation of India based on information received by the Company. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognized in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested.

d) Compensated absences:

As per policy of the Company, employees can carry forward unutilized accrued compensated absences and utilize it in next service period or receive cash compensation. Since the compensated absences fall due wholly within twelve months after the end of the period in which the employees render the related service and are also expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a current employee benefit. The Company records an obligation for such compensated absences in the year in which the employee renders the services that increase this entitlement.

The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the Statement of Profit and Loss.

e) Short-term employee benefit:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

2.10. <u>Exceptional items</u>

Exceptional items refer to items of income or expense within the income statement that are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance for the period. Material item of income or expense are evaluated on a case to case basis for disclosure under exceptional items

2.11 <u>Taxes:</u>

a) Income Tax:

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the other comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

Current tax:

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date. Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities in financial statements and their corresponding tax bases. Deferred tax assets are recognized for deductible temporary differences, unused tax credits, and tax losses, but only to the extent that it is probable that taxable profit will be available to offset them. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced if it becomes unlikely that sufficient taxable profit will be available. Unrecognized deferred tax assets are reassessed at each reporting date and recognized if it becomes probable that future taxable profits will allow their recovery.

Deferred tax related to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss, either in other comprehensive income or directly in equity. Deferred tax liabilities and assets are measured using the tax rates expected to apply when the liability is settled or the asset is realized, based on tax rates and laws enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets is reviewed at the end of each reporting period.

b) GST/ value added taxes paid on acquisition of assets or on incurring expenses:
Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
Where receivables and payables are stated with the amount of tax included.

2.12 Cash and cash equivalents:
In the cash flow statement, cash and cash equivalents include cash in hand, cheques in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

2.13 Provisions and Contingencies:
Provisions are recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised till the realisation of the income is virtually certain. However, the same are disclosed in the financial statements where an inflow of economic benefits are possible.

2.14 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.

2.15 Climate Related Matters
The Company considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Company due to both physical and transition risks. Even though the Company believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions. Even though climate-related risks might not currently have a significant impact on measurement, the Company is closely monitoring relevant changes and developments, such as new climate-related legislation.

2.16 Changes in accounting policies and disclosure
The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from April 1, 2023. The Company applied for the first-time these amendments.

i **Ind AS 1 - Disclosure of material accounting policies:** The amendments related to shifting of disclosure of erstwhile "significant accounting policies' to "material accounting policies' in the notes to the financial statements and adding guidance on how entities apply the concept of materiality in making decisions.

The amendments have had an impact on the Company disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company financial statements.

ii **Ind AS 12 - Income Taxes:** The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12. At the date of transition to Ind ASs, a first-time adopter shall recognise a deferred tax asset to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Similarly, a deferred tax liability for all deductible and taxable temporary differences associated with: a) right-of-use assets and lease liabilities, b) decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset. Therefore, if a Company has not yet recognised deferred tax on right-of-use assets and lease liabilities or has recognised deferred tax on net basis, the same need to recognise on gross basis based on the carrying amount of right-of-use assets and lease liabilities.

The amendments had no impact on the financial statements.

iii. Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the financial statements.

2.17 Significant accounting judgements, estimates and assumptions:

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

i. Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the Currencies of the post-employment benefit obligation.

Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes

ii. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 39for further disclosures.

iii. Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company ‘would have to pay’, which requires estimation when no observable rates are available. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the credit rating).

iv. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets.

(All amounts in Indian Rupees lakhs, unless otherwise stated)

3. Property, Plant and Equipment

Tangible assets

Particulars	Gross Block					Accumulated Depreciation					Net Carrying Value	
	As at April 01, 2023	Additions	Assets Reclassified to held for sale	Disposals/ Adjustment	As at March 31, 2024	As at April 01, 2023	Depreciation for the year	Assets Reclassified to held for sale	Disposals/ Adjustment	As at March 31, 2024	As at March 31, 2024	As at March 31 2023
Lease Hold Improvements	231	64	-	-	295	7	17	-	-	24	271	224
Vehicles	181	-	-	74	107	120	14	-	43	91	16	61
Plant & Machinery	3,640	239	-	467	3,412	1,389	452	-	392	1,449	1,963	2,251
Computer	3,856	655	-	776	3,735	3,014	440	-	777	2,677	1,058	842
Furniture And Fittings	3,602	167	-	457	3,312	1,572	227	-	403	1,396	1,916	2,030
Office Equipment	2,156	225	-	319	2,062	1,744	153	-	315	1,582	480	412
Total	**13,666**	**1,350**	**-**	**2,093**	**12,923**	**7,846**	**1,303**	**-**	**1,930**	**7,219**	**5,704**	**5,820**

Particulars	Gross Block					Accumulated Depreciation					Net Carrying Value	
	As at April 01, 2022	Additions	Assets Reclassified to held for sale	Disposals/ Adjustment	As at March 31, 2023	As at April 01, 2022	Depreciation for the year	Assets Reclassified to held for sale	Disposals/ Adjustment	As at March 31, 2023	As at March 31, 2023	As at March 31 2022
Buildings	220	-	26	194	-	43	4	5	42	-	-	177
Lease Hold Improvements	78	153	-	-	231	1	6	-	-	7	224	77
Vehicles	291	-	-	110	181	137	26	-	43	120	61	154
Plant & Machinery	4,490	994	-	1,844	3,640	2,377	450	-	1,438	1,389	2,251	2,113
Computer	3,431	789	-	364	3,856	3,065	313	-	364	3,014	842	366
Furniture And Fittings	3,327	1,352	-	1,077	3,602	2,291	270	-	989	1,572	2,030	1,036
Office Equipment	2,258	325	-	427	2,156	2,002	158	-	416	1,744	412	256
Total	**14,095**	**3,613**	**26**	**4,016**	**13,666**	**9,916**	**1,227**	**5**	**3,292**	**7,846**	**5,820**	**4,179**

Notes:

a) The amount of Contractual commitments for acquisition of property, plant and equipment is disclosed in Note. 36A(ii)

b) The Company has not pledged Property, Plant and Equipment as security.

c) No proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) [formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)] and Rules made thereunder.

4. **Right of use Assets (ROU)**

Particulars	Gross Block				Accumulated Amortization				Net Carrying Value	
	As at April 01, 2023	Additions	Disposals/ Adjustment	As at March 31, 2024	As at April 01, 2023	Amortization for the year	Disposals/ Adjustment	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Buildings	24,148	10,083	2,874	31,357	6,259	5,292	2,050	9,501	21,856	17,889
Vehicles	815	-	798	17	809	7	799	17	-	6
Vehicles - ALD Cars	15	6	7	14	5	8	3	10	4	10
Computers	660	-	139	521	446	66	139	373	148	214
Plant & Machinery	134	-	-	134	29	28	-	57	77	105
Total	**25,772**	**10,089**	**3,818**	**32,043**	**7,548**	**5,401**	**2,991**	**9,958**	**22,085**	**18,224**

Particulars	Gross Block				Accumulated Amortization				Net Carrying Value	
	As at April 01, 2022	Additions	Disposals/ Adjustment	As at March 31, 2023	As at April 01, 2022	Amortization for the year	Disposals/ Adjustment	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Buildings	19,058	6,759	1,669	24,148	3,389	3,864	994	6,259	17,889	15,669
Vehicles	1,328	-	513	815	642	471	304	809	6	686
Vehicles - ALD Cars	15	7	7	15	3	6	4	5	10	12
Computers	660	-	-	660	324	122	-	446	214	336
Plant & Machinery	38	96	-	134	2	27	-	29	105	36
Total	**21,099**	**6,862**	**2,189**	**25,772**	**4,360**	**4,490**	**1,302**	**7,548**	**18,224**	**16,739**

The following are the amounts recognised in the statement of profit and loss:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation expense of right-of-use assets	5,401	4,490
Interest expense on lease liabilities	1,893	1,647
Total	**7,294**	**6,137**

Notes:

a) The aggregate depreciation expenses on Right of use Assets (ROU) is included under depreciation and amortization expenses in Statement of Profit and Loss. (Refer note 32)

b) The Company had total cash outflows for leases of Rs 6,283 lakhs during the year ended 31 March 2024. The maturity analysis of lease liabilities are disclosed in note 21 of these financial statements.

5. **Goodwill**

Goodwill is recognized as the result of the Business Transfer Agreement executed in the financial year 2011-12, representing the excess value of liabilities over the acquired assets. Goodwill arising upon business combinations is not amortised but tested for impairment at least annually or more frequently if there is any indication that the cash generating unit to which goodwill is allocated is impaired. Gross carrying value and accumulated amortisation with respect to goodwill represent Indian GAAP balances, that have been carried forward as such, relating to business combination entered before the transition date i.e., 1 April 2016.

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying value		
Opening balance	12,506	12,506
Disposals	-	-
Closing balance	**12,506**	**12,506**
Accumulated amortisation		
Opening balance	-	-
Impairment loss	-	-
Disposals	-	-
Closing balance	-	-
Net carrying value	**12,506**	**12,506**

The carrying value of the Company's net identifiable assets has been classified as a single Cash Generating Unit since they represent the smallest collection of assets that generate independent cash flows. As a result, the carrying value of goodwill has been assigned to the single identified Cash Generating Unit for the purposes of the impairment test.

The recoverable amounts of the above cash generating units have been assessed using a value-in-use model. Value in use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially, a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows. Key assumptions upon which the Company has based its determinations of value-in-use include:

a) Estimated cash flows for five years, based on management's projections.

b) A terminal value arrived at by extrapolating the last forecasted year cash flows to perpetuity, using a constant long-term growth rate of 5%. This long-term growth rate takes into consideration external macroeconomic sources of data.

c) The after tax discount rates used are based on the Company's weighted average cost of capital i.e. 15.69%.

The Company believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

(All amounts in Indian Rupees lakhs, unless otherwise stated)

6. Other Intangible Assets

Particulars	Gross Block				Accumulated Amortization				Net Carrying Value	
	As at March 31, 2023	Additions	Disposals/ Adjustment	As at March 31, 2024	As at March 31, 2023	Amortization for the year	Disposals/ Adjustment	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Computer Software	1,734	30	557	1,207	1,401	138	546	993	214	333
Total	**1,734**	**30**	**557**	**1,207**	**1,401**	**138**	**546**	**993**	**214**	**333**

Particulars	Gross Block				Accumulated Amortization				Net Carrying Value	
	As at March 31, 2022	Additions	Disposals/ Adjustment	As at March 31, 2023	As at March 31, 2022	Amortization for the year	Disposals/ Adjustment	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Computer Software	1,713	21	-	1,734	1,263	138	-	1,401	333	450
Total	**1,713**	**21**	**-**	**1,734**	**1,263**	**138**	**-**	**1,401**	**333**	**450**

7. Intangible Assets under Development

Intangible Assets under Development	As at March 31, 2024	As at March 31, 2023
Software under Development	371	59
Total	**371**	**59**

Notes:
Expenses during the year capitalized in respect of Intangible Assets under Development.

a) Employee Benefit Expenses	-	-
b) Other Expenses	371	59
	371	**59**

Intangible assets under development ageing schedule

Particulars	Amount for a period of				Total
	Less than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
Projects in progress					
As at March 31, 2024	371	-	-	-	371
As at March 31, 2023	-	59	-	-	59

Notes:
a) The Company does not have any overdue projects as at March 31, 2024.
b) The Company does not have any projects where its cost has exceeded its original budget value.

(All amounts in Indian Rupees lakhs, unless otherwise stated)

8. Other Non Current Financial Assets	As at March 31, 2024	As at March 31, 2023
Considered good, unsecured		
Security Deposit with Others	1,495	1,008
Margin money with banks (remaining maturity more than 12 months)	-	31
Total	**1,495**	**1,039**

9. Deferred Tax Assets, net	As at March 31, 2024	As at March 31, 2023
Deferred Tax Assets, net	3,557	2,623
Total	**3,557**	**2,623**

9.1 Movement in Deferred Tax Assets and Liabilities during the year ended March 31, 2024 and March 31, 2023

Particulars	As at March 31, 2023	Recognised In Statement of Profit & Loss	Recognised in equity	As at 31st March, 2024
Deferred tax assets/(liabilities)				
Property, plant and equipment	373	(50)	-	323
Assets held for sale	(1,051)	1,051	-	-
Allowance for expected credit loss	2,019	(345)	-	1,674
Employee benefits - Gratuity and Compensated Absences	801	(31)	39	809
Right of use asset	(4,587)	(978)	-	(5,565)
Lease Liabilities	4,927	1,147	-	6,074
Other temporary Differences	142	101	-	243
Net deferred tax assets/(liabilities)	**2,623**	**895**	**39**	**3,557**

Particulars	As at March 31, 2022	Recognised In Statement of Profit & Loss	Recognised in equity	As at 31st March, 2023
Deferred tax assets/(liabilities)				
Property, plant and equipment	237	136	-	373
Assets held for sale	-	(1,051)	-	(1,051)
Allowance for expected credit loss	1796	223	-	2,019
Employee benefits - Gratuity and Compensated Absences	511	89	201	801
Right of use asset	(4,213)	(374)	-	(4,587)
lease liabilities	4,328	599	-	4,927
Other temporary Differences	110	32	-	142
Net deferred tax assets/(liabilities)	**2,769**	**(346)**	**201**	**2,623**

10. Income Tax Assets, net	As at March 31, 2024	As at March 31, 2023
Advance tax, net	5,201	6,022
Total	**5,201**	**6,022**

11. Other Non-Current Assets	As at March 31, 2024	As at March 31, 2023
Considered good, unsecured		
Capital Advances	376	21
Considered doubtful, unsecured		
Capital Advances	59	59
Less: Allowances for doubtful advances	(59)	(59)
Total (A)	**376**	**21**
Prepaid Expenses	12	13
Total (B)	**12**	**13**
Total (A) + (B)	**388**	**34**

12. Trade Receivables	As at March 31, 2024	As at March 31, 2023
Unsecured		
Considered good	25,338	29,984
Credit impaired	2,600	2,148
Total	27,938	32,132
Less: Allowances for expected credit loss (Refer Note 39B(i)(a))	(3,938)	(5,895)
Total	**24,000**	**26,237**

Trade receivable ageing schedule as at March 31, 2024

Particulars	Outstanding for following periods from the due date of payment						Total
	Not due	Less than 6 months	6 months - 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
i) Undisputed Trade receivables - Considered good	16,126	8,228	640	220	124	-	25,338
ii) Undisputed Trade receivables - Credit impaired	-	-	-	-	-	26	26
iii) Disputed Trade receivables - Considered good	-	-	-	-	-	-	-
iv) Disputed Trade receivables - Credit impaired	-	8	125	459	229	1,753	2,574
Gross Trade Receivables	**16,126**	**8,236**	**765**	**679**	**353**	**1,779**	**27,938**
Less: Allowances for expected credit loss							(3,938)
Balance as at March 31, 2024							**24,000**

Trade receivable ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from the due date of payment						Total
	Not due	Less than 6 months	6 months - 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
i) Undisputed Trade receivables - Considered good	14,159	12,376	1,469	1,458	522	-	29,984
ii) Undisputed Trade receivables - Credit impaired	-	-	-	-	-	110	110
iii) Disputed Trade receivables - Considered good	-	-	-	-	-	-	-
iv) Disputed Trade receivables - Credit impaired	-	-	-	-	126	1,912	2,038
Gross Trade Receivables	**14,159**	**12,376**	**1,469**	**1,458**	**648**	**2,022**	**32,132**
Less: Allowances for expected credit loss							(5,895)
Balance as at March 31, 2023							**26,237**

Notes:

i) No Trade receivables are due from directors and other officers of the Company either severally or jointly with any other person.
ii) The Carrying amount of trade receivables is pledged as security for borrowings. (Refer Note 23)
iii) Trade Receivables are non interest bearing and are generally with the credit period of 30 to 90 days.

13. Cash and Cash Equivalents	**As at March 31, 2024**	**As at March 31, 2023**
Balance With Banks:		
In Current accounts	3,179	1,557
Term deposits with bank (original maturities less than 3 months)	5,056	-
Cash on hand	4	5
Total	**8,239**	**1,562**

14. Other Bank Balances	**As at March 31, 2024**	**As at March 31, 2023**
Margin money with banks (original maturities more than 3 months but less than 12 months)	106	59
Term deposits with banks (original maturities more than 3 months but less than 12 months)	-	27
Total	**106**	**86**

15. Other Current Financial Assets	**As at March 31, 2024**	**As at March 31, 2023**
Considered good, unsecured		
Security Deposit with others	927	1488
Recievable towards management fees from related parties (Refer Related Party Note 45)	14	76
Other Recievables	204	14
Advance to Employees	15	10
Interest Accrued but not due on deposits	3	1
Earnest Money Deposits	6	6
Total	**1,169**	**1,595**

16. Other Current Assets	**As at March 31, 2024**	**As at March 31, 2023**
Considered good, unsecured		
Advance against Supply of Goods and Services for truck hire charges	1,650	1,285
Considered doubtful, unsecured		
Advance Against supply of Goods and Services	437	437
Less: - Allowances for doubtful advances	(437)	(437)
Total (A)	**1,650**	**1,285**
Prepaid Expenses	448	496
Balances with statutory authorities	473	868
Total (B)	**921**	**1,364**
Total (A) + (B)	**2,571**	**2,649**

17 Assets held for sale	**As at March 31, 2024**	**As at March 31, 2023**
Land & Building	-	4,964
Commercial Vehicles	-	1
Total	**-**	**4,965**

Movement of Assets held for sale

Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Opening Balance of Assets held for sale	4,965	8,127
Classified to Assets held for sale during the period	-	21
Disposal of Assets held for sale during the period	(4,965)	(3,183)
Closing Balance of Assets held for sale	-	4,965

The Company has adopted an Asset Light Strategy, basis which the decision was taken to sell the all the non-core immovable properties and use the proceeds from such sale to pay the debt. Exceptional item refers to loss/gain on disposal of such assets as at March 31, 2024 in line with Ind AS 105.
The Company has sold properties of Rs. 4,965 lakhs and has recorded a gain of Rs. 758 lakhs in exceptional item. The proceeds from sale of properties is Rs 5,723 lakhs included net off advances recieved agasinst the sale of properties.

18. Equity Share Capital	**As at March 31, 2024**		**As at March 31, 2023**	
	Number	**Amount**	**Number**	**Amount**
Authorized share capital				
Equity Shares of ₹ 10/- each	7,50,000	75	7,50,000	75
	75	**75**		**75**
Issued equity capital				
Equity Shares of ₹ 10/- each fully paid up	5,00,000	50	5,00,000	50
	50	**50**		**50**
Subscribed and fully paid-up:				
Equity Shares of ₹ 10/- each fully paid up	5,00,000	50	5,00,000	50
	5,00,000	**50**	**5,00,000**	**50**

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

Particulars	**As at March 31, 2024**		**As at March 31, 2023**	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
Shares at the beginning of the year	5,00,000	50	5,00,000	50
Shares at the end of the year	5,00,000	50	5,00,000	50

There has been no change / movements in number of shares outstanding at the beginning and at the end of the year.

b) **Terms /Rights attached to Shareholders**
The Company has only one class of issued shares i.e. Equity Shares having par value of ₹ 10 per share. Each holder of Equity Shares is entitled to one vote per share and equal right for dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

c) As at March 31, 2024, Allcargo Gati Limited (Holding Company) owns 3,50,000 shares (Previous year 3,50,000 shares).

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

Particulars	**As at March 31, 2024**		**As at March 31, 2023**	
	No. of Shares	**% Holding**	**No. of Shares**	**% Holding**
Allcargo Gati Limited	3,50,000	70%	3,50,000	70%
Allcargo Logistics Limited	1,50,000	30%		
Kintetsu World Express (S) Pte. Ltd.	-	-	1,30,000	26%

(All amounts in Indian Rupees lakhs, unless otherwise stated)

18. Share Capital (Continued)

Note - During previous year, Allcargo Logistics Limited ("Ultimate Parent Company") entered into a Share Purchase Agreement on March 27, 2023, to acquire 30% stake of KWE Group held in the Company, with Kintetsu World Express (S) Pte Ltd (26%) and Kintetsu Express (India) Private Limited (4%) as the respective acquiree.

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

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

g) No calls are unpaid by any directors or officers of the Company during the year.

h) Details of shares held by promoter

Name of the Promoter	As at March 31, 2024		As at March 31, 2023	
	Number of Shares holding	% of Shareholding	Number of Shares holding	% of Shareholding
Allcargo Gati Limited	3,50,000	70%	3,50,000	70%
Allcargo Logistics Limited	1,50,000	30%	-	-
Kintetsu World Express (S) Pte. Ltd.	-	-	1,30,000	26%
Total	**5,00,000**	**100%**	**4,80,000**	**96%**

19. Other Equity

	As at March 31, 2024	As at March 31, 2023
Securities Premium	17,836	17,836
General Reserve	1,720	1,720
Retained Earnings	1,959	4,874
Total	**21,515**	**24,430**

The description, nature, purpose and movement of each reserve within other equity are as follows: -

Securities Premium

Securities premium is used to record the premium on issue of equity shares. The same can be utilised in accordance with the provisions of The Companies act, 2013.

General Reserve

General reserve is the retained earnings of the Company, which are kept aside out of the Company's profit to meet future obligations, if any.

Retained Earnings

Retained earnings comprise of net accumulated profit / (loss) of the Company, after declaration of dividend.

The movement of Other equity as follows:

i) The movement of Securities Premium	As at March 31, 2024	As at March 31, 2023
Opening Balance	**17,836**	**17,836**
Add/(Less): Adjustment during year	-	-
Closing Balance	**17,836**	**17,836**

ii) The movement of General Reserve	As at March 31, 2024	As at March 31, 2023
Opening Balance	**1,720**	**1,720**
Add/(Less): Adjustment during year	-	-
Closing Balance	**1,720**	**1,720**

iii) The movement of Retained Earning	As at March 31, 2024	As at March 31, 2023
Opening Balance	**4,874**	**6,014**
Add: Profit/(Loss) for the year	(2,801)	(543)
Add: Other Comprehensive income for the year	(114)	(597)
Closing Balance	**1,959**	**4,874**

20. Non Current Borrowings

	As at March 31, 2024		As at March 31, 2023	
	Non - Current	Current Maturities	Non - Current	Current Maturities
Secured				
i) Vehicle Loan From Banks	-	-	1	10
Total	**-**	**-**	**1**	**10**

Vehicle loans from Banks is repaid during the year.

21 Lease Liabilities

	As at March 31, 2024		As at March 31, 2023	
	Non - Current	Current	Non - Current	Current
Secured				
Lease Obligation	19,246	4,887	16,008	3,566
Total	**19,246**	**4,887**	**16,008**	**3,566**

Notes:

(a) The Company has lease contracts for certain items of Buildings, Plant & Machinery and Computers. The Company's obligations under leases are secured by the lessor's title to the leased assets.

(b) Movement in lease liabilities during the year ended March 31, 2024

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Lease liabilities at the beginning of the year	**19,574**	**17,195**
Recognition of lease liability during the year	9,792	6,587
Interest cost accrued during the year	1,893	1,647
Payment of lease liabilities including interest	(6,283)	(4,942)
De-recognition of right-of-use liability during the year	(843)	(913)
Lease liabilities at the end of the year	**24,133**	**19,574**

21 Lease Liabilities (Continued)

(c) Amounts recognised in the statement of cash flow arising from financing activities

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Total cash outflow for leases	6,283	4,942

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

Particulars	As at March 31, 2024	As at March 31, 2023
Not later than one year	6,669	5,059
Later than one year but not later than five years		
1-2 years	5,907	4,417
2-3 years	4,799	3,805
3-4 years	3,944	3,015
4-5 years	1,759	2,294
Later than five years	10,499	10,306
Total	**33,577**	**28,896**

(e) Lease payments for less than 1 year lease contracts as well as for low value items for the year ended March 31, 2024 is ₹ 2,978 Lakhs (Previous year - ₹ 3,611 Lakhs) (included in other expenses and operating expenses).

22. Provisions	As at March 31, 2024		As at March 31, 2023	
	Non - Current	**Current**	**Non - Current**	**Current**
Employee Benefits				
Gratuity (Refer Note 37)	1,633	795	1,461	825
Compensated Absences (Refer Note 37)	479	308	410	488
Total	**2,112**	**1,103**	**1,871**	**1,313**

23. Current Borrowings	As at March 31, 2024	As at March 31, 2023
Secured		
i) Working Capital facilities from Banks		
Cash Credit/Working capital demand loan	14,425	12,340
ii) Current Maturities of Long-term Borrowings	-	10
Unsecured		
Inter Corporate Deposits*	3,484	2,250
Total	**17,909**	**14,600**

*(from Holding Company ₹ 3,484 Lakhs, March 31, 2023 - ₹ 2,250) (Refer Note 45)

Notes:

a) Working Capital Borrowings in rupees is secured by book debts and other current assets of the Company on pari-passu charge with all working capital lenders under multiple banking arrangement. Weighted average rate of interest is 7.45%.

b) The Company has been sanctioned working capital facilities from banks on the basis of security of current assets. The Company has filed quarterly returns/ statements with such banks which are in agreement with the books of account other than those set below for FY 2023-24.

Quarter ended	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference
Jun-23	1) Axis Bank, 2) IndusInd Bank, 3) Bank of Bahrain and Kuwait, 4) Federal Bank.	Gross Trade Receivables	34,813	34,813	-
Sep-23			35,329	35,329	-
Dec-23			31,214	31,214	-
Mar-24			27,938	27,938	-

Quarter ended	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference
Jun-22	1) Axis Bank, 2) IndusInd Bank, 3) Bank of Bahrain and Kuwait, 4) Federal Bank, 5) Standard Chartered Bank	Gross Trade Receivables	32,968	32,968	-
Sep-22			33,977	33,977	-
Dec-22			34,938	34,938	-
Mar-23			32,132	32,132	-

c) Reconciliation of liabilities arising from financing activities

Year ended March 31, 2024

Particulars	Short Term Borrowings	Long Term Borrowings *
Balance as at April 01, 2023	**14,590**	**11**
Borrowings made during the year	-	-
Borrowings repaid during the year	-	(11)
Proceeds/(Repayment) of Short term borrowings, net	3,319	-
Balance as at March 31, 2024	**17,909**	**-**

(*)Includes current maturities of long term borrowings

Year ended March 31, 2023

Particulars	Short Term Borrowings	Long Term Borrowings *
Balance as at April 01, 2022	**13,806**	**1,024**
Borrowings repaid during the year	-	(1,013)
Proceeds/(Repayment) of Short term borrowings, net	784	-
Balance as at March 31, 2023	**14,590**	**11**

(*)Includes current maturities of long term borrowings

23 Current Borrowings (Continued)

d) Evaluation of financial covenant compliance and key performance indicators

Bank	As at March 31, 2024	Financial Covenants	Results of performance indicators	Covenant Breach
IndusInd Bank	8,650	Allcargo to hold 40% of Allcargo Gati Limited and management control	-	No
Bank of Bahrain and Kuwait	3,500	a) Current Ratio - Minimum 1.10 b) TOL/TNW - Maximum 3 times	a) Current Ratio - 0.81 b) TOL/TNW - 7.29	Yes
Federal Bank	1,800	a) TOL/TNW - Maximum 4 times b) Debt/Equity - Maximum 2 times c) Debt/EBITDA - Below 4 times	a) TOL/TNW - 7.29 b) Debt/Equity - 0.83 c) Debt/EBITDA - 3.08	Yes

"The breach of financial covenants represents instances where the performance indicators did not meet the criteria set by bankers for credit line arrangements. The breach of covenants entails 2% penal interest. These breaches with two banking partners are in existence since the time of loan sanction and renewal. Further, till the date of approval of these financial statements, lenders have not demanded for the penal interest and based on the discussion have agreed to waive off the penal interest. Other than penal interest, there are no other implications. Considering the present financial position the Company maintains a healthy cash flow to meet it's obligations."

Bank	As at March 31, 2023	Financial Covenants	Results of performance indicators	Covenant Breach
IndusInd Bank	7,050	Allcargo to hold 40% of Allcargo Gati Limited and management control	-	No
Bank of Bahrain and Kuwait	2,500	a) Current Ratio - Minimum 1.10 b) TOL/TNW - Maximum 3 times	a) Current Ratio - 0.90 b) TOL/TNW - 4.95	Yes
Federal Bank	2,300	a) TOL/TNW - Maximum 4 times b) Debt/Equity - Maximum 2 times c) Debt/EBITDA - Below 4 times	a) TOL/TNW - 4.95 b) Debt/Equity - 0.60 c) Debt/EBITDA - 1.62	Yes

"The breach of financial covenants represents instances where the performance indicators did not meet the criteria set by bankers for credit line arrangements. The breach of covenants entails 2% penal interest. These breaches with two banking partners are in existence since the time of loan sanction and renewal. Further, till the date of approval of these Financial statements, lenders have not demanded for the penal interest and based on the discussion have agreed to waive off the penal interest. Other than penal interest, there are no other implications. Considering the present financial position the Company maintains a healthy cash flow to meet it's obligations."

e) The Company had uncommited lines of credit of ₹ 8,573 lakhs and ₹ 10,160 lakhs as at March 31, 2024 and March 31, 2023, respectively, from its banks for working capital requirements. The Company draw upon these lines of credit based on its working capital requirements.
Working capital loan as of the Company are secured by Current assets of the Company

24. Trade Payables

	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro and small enterprises (Refer Note 38)	1,078	1,128
Total outstanding dues of creditors other than micro and small enterprises	7,595	8,184
Total	**8,673**	**9,312**

Trade payables ageing schedule as at March 31, 2024

Particulars	Outstanding for following periods from the due date of payment				
	Less than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	Total
i) Undisputed MSME	1,073	5	-	-	1,078
ii) Undisputed Others	7,477	80	23	15	7,595
	8,550	**85**	**23**	**15**	**8,673**

Trade payables ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from the due date of payment				
	Less than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	Total
i) Undisputed MSME	1,124	4	-	-	1,128
ii) Undisputed Others	8,175	-	6	3	8,184
	9,299	**4**	**6**	**3**	**9,312**

25. Other Current Financial Liabilities

	As at March 31, 2024	As at March 31, 2023
Employee Related Liabilities *	2,419	2,808
Security Deposits	2,454	2,570
Capital Creditors	148	502
Interest accrued but not due on borrowings (Including payable to Holding Company ₹ 143 Lakhs, March 31, 2023 - ₹ 86 Lakhs (Refer Note 45))	153	102
Accrued Expenses	3,752	3,795
Others	1,461	1,330
Total	**10,387**	**11,107**

* Includes provision on share based payments with Holding Company of ₹ 1,237 lakhs (March 31, 2023 - ₹ 867 lakhs (Refer Note 45))

26. Other Current Liabilities

	As at March 31, 2024	As at March 31, 2023
Dues to statutory authorities	1,721	1,485
Advances received towards sale of properties classified under AHS	-	10
Others	3	1
Total	**1,724**	**1,496**

27. **Revenue from Operations**	Year ended March 31, 2024	Year ended March 31, 2023
Sale of Services		
Freight and other service charges	1,41,133	1,41,561
Supply Chain Management services	6,089	4,697
Total (A)	**1,47,222**	**1,46,258**
Other Operating Revenue		
Management fees	443	341
Sale of unclaimed goods	194	288
Total (B)	**637**	**629**
Grand Total (A) + (B)	**1,47,859**	**1,46,887**

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue based on product & services		
Revenue (Net Sale / Income from each Stream)		
a) Express Distribution	1,47,416	1,46,546
b) Others	443	341
Total	**1,47,859**	**1,46,887**
Revenue based on Geography		
India	1,47,859	1,46,887
Overseas	-	-
Total	**1,47,859**	**1,46,887**
Reconciliation of Revenue from Operation with contract price		
Revenue as per contract price	1,54,890	1,51,737
Less:		
Discounts	(273)	(207)
Credit note	(4,093)	(2,447)
Unsatisfied performance obligation	(3,302)	(2,825)
Revenue from Operation	**1,47,222**	**1,46,258**

Transaction Price - Unsatisfied Performance Obligation

The Company's unsatisfied performance obligations mainly arises on account of undelivered shipments. The aggregate value of transaction price allocated to the unsatisfied performance obligations as at March 31, 2024 is ₹ 3,302 lakhs (Previous year - ₹ 2,825 lakhs), which is expected to be recognised during next year after delivery of shipments.

There are no customers which individually accounted for more than 10% of revenue during the year ended March 31, 2024

B. Contract Balances

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables	27,938	32,132
Less: Allowances for Expected Credit Loss	(3,938)	(5,895)
Total	**24,000**	**26,237**

28. **Other Income**	Year ended March 31, 2024	Year ended March 31, 2023
Interest Income		
On Deposits with Bank	26	6
On Income Tax refund	95	149
On Unwinding of financial asset	140	89
Liabilities no longer required - written back	41	1,467
Gain on Lease Modification, net	77	22
Profit on Disposal of Property, Plant and Equipment, net	-	21
Miscellaneous Income, net	2	29
Total	**381**	**1,783**

29.	**Operating Expenses**	**Year ended March 31, 2024**	**Year ended March 31, 2023**
	Freight - Linehaul services	69,017	66,771
	Freight - First mile pickup and last mile delivery services	27,584	26,614
	Freight - Air Freight services	4,086	3,960
	Handling Charges	5,157	4,528
	Supply Chain Management Services	3,740	2,803
	Other Operating Expenses	1,873	1,119
	Total	**1,11,457**	**1,05,795**

30.	**Employee Benefits Expense**	**Year ended March 31, 2024**	**Year ended March 31, 2023**
	Salaries, Wages and Bonus	15,569	16,050
	Contribution to Provident and other Funds	1,216	1,150
	Share Based Payment Expenses*	371	836
	Staff Welfare Expenses	295	472
	Total	**17,451**	**18,508**

Note:

The Holding Company measures the cost of employee share based scheme and recovers this amount from the Company. A charge of ₹ 371 lakhs (March 31, 2023 - ₹ 836 lakhs) has been allocated for compensation cost related to share-based payments, reflecting the grant of stock options from the Holding Company to certain specific employees of the Company.

*Refer Note 45 for Related Party Information

31.	**Finance Costs**	**Year ended March 31, 2024**	**Year ended March 31, 2023**
	Interest Expenses		
	On Working Capital Loans	1,102	1,223
	On Lease liabilities	1,893	1,647
	On Intercorporate deposits (ICD)*	212	100
	(Including Interest on ICD to Holding Company ₹ 212 Lakhs, Previous Year - ₹ 96 Lakhs)		
	On Term Loans	1	28
	Total	**3,208**	**2,998**

*Refer Note 45 for Related party information.

32.	**Depreciation and Amortization Expense**	**Year ended March 31, 2024**	**Year ended March 31, 2023**
	Depreciation on Property, Plant and Equipment (Refer Note 3)	1,303	1,227
	Depreciation on Right-of-Use Asset (Refer Note 4)	5,401	4,490
	Amortisation of Intangible Assets (Refer Note 6)	138	138
	Total	**6,842**	**5,855**

33.	**Other Expenses**	**Year ended March 31, 2024**	**Year ended March 31, 2023**
	Lease Rentals	2,821	3,271
	(Including to Holding Company ₹ 1 lakhs (Previous year ₹ 109 lakhs))		
	Office Maintenance	2,375	2,175
	Bad debts and Irrecoverable Balances Written off	1,988	991
	Less: - Provision for loss allowance recognized in earlier years	(1,988)	(991)
	Legal and Professional	1,565	1,226
	Management Fee	1,287	793
	Repairs and Maintenance		
	Computers	1,046	889
	Plant and Equipment	129	119
	Vehicles	76	97
	Buildings	5	16
	Electricity Expenses	898	832
	Automation Network Expenses	667	600
	Travel and Conveyance	557	568
	Printing and Stationery	456	365
	Advertisements	365	435
	Rates and Taxes	157	397
	Auditors' Remuneration (Note 33.1)	67	37
	Insurance	61	115
	Telephone Expenses	51	47
	Allowance for Expected Credit Loss	31	2,406
	Loss on Sale of Property, Plant and Equipment, net	26	-
	Donations	22	-
	Corporate Social Responsibility Expenditure (Refer Note 33.2)	13	12
	Allowance for Other Financial Assets	11	27
	Bad debts Written off - Others	10	124
	Directors' Sitting fees *	7	5
	Miscellaneous Expenses	822	798
	Total	**13,525**	**15,354**

* Refer Note 45 for Related party information

33.1	**Auditors' Remuneration**		
	Statutory Audit fees	23	23
	Limited Review of quarterly results	12	12
	Other charges - Certification fee	28	-
	Reimbursement of out of Pocket Expenses	4	2
	Total	**67**	**37**

33.2 Corporate Social Responsibility Expenditure

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

(a) During the year, the Company has incurred ₹13 lakhs (March 31, 2023 ₹12 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 Nil.

(c) Amount of ₹13 lakhs, approved by the board to be spent during the year.

(d) Amount spent during the year on

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	13	12
Total	**13**	**12**

(e) **Unspent Amount**

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance as at April 01, 2023	**-**	**-**
Amount deposited in specified fund of schedule VII within 6 months	-	-
Amount required to be spent during the year	13	12
Less - Amount spent during the year	(13)	(12)
Closing Balance as at March 31, 2024	**-**	**-**

34. Exceptional Items

Exceptional Items	Year ended March 31, 2024	Year ended March 31, 2023
Impairment (Charged)/Reversal in the realisable value of Non-core Assets (Refer Note a)	-	1,203
Net Gain on disposal of Non-core Assets (Refer Note a)	758	225
Loss on write off of Property, Plant and Equipment, net (Refer Note b)	(26)	(535)
Impairment Reversal on the Property, Plant and Equipment (Refer Note c)	50	-
Total	**782**	**893**

The Exceptional items (non-recurring) represents :

a) Fair value of assets sold during the year and proposed to be sold which is disclosed as "Assets held for Sale" results in (Gain)/loss of ₹ 758 lakhs (March 31, 2023 - 1,428 lakhs)

b) A loss on write off of ₹ 26 lakhs (March 31, 2023 ₹535 lakhs) in Property, Plant and Equipment is on account of discardment of fixed assets which have outlived their useful life and those which are no longer required for business operations.

c) An impairment reversal of ₹ 50 lakhs was recorded this year reflecting the realisation in the fair value of Property, Plant & Equipment.

(All amounts in Indian Rupees lakhs, unless otherwise stated)

35.	**Tax Expenses**	**Year ended March 31, 2024**	**Year ended March 31, 2023**
	Profit Before Tax	(3,461)	1,053
	Income Tax recognised in Statement of Profit and Loss		
	Current Tax	235	1,273
	Deferred Tax	(895)	346
	Tax related earlier years	-	(23)
	Total	**(660)**	**1,596**
	Income Tax recognised in Other Comprehensive Income		
	Deferred tax expenses on Re-Measurement gains/(losses) on defined benefit plans	(39)	(201)
	Total	**(39)**	**(201)**
	Grand Total	**(699)**	**1,395**
35.1	**Reconciliation of Income Tax expense for the year with book profits**		
	Profit before Tax	(3,461)	1,053
	Applicable Tax Rate	25.17%	25.17%
	Tax Expense	(871)	265
	Tax Effect of		
	Tax on Capital Gain	205	983
	Expenses non-deductible for tax purposes	10	392
	Other Adjustments	(4)	(44)
	Adjustments of tax relating to earlier years		-
	Total Tax Expense as per Statement of Profit and Loss	**(660)**	**1,596**
	Effective Tax Rate	19.08%	151.53%

35.2 The tax rate used for the year ended March 31, 2024 and March 31, 2023 reconciliations above is the corporate tax rate of 25.17%, payable by corporate entities in India on taxable profits under section 115 BAA of the Income Tax Act, 1961.

36. (A) Contingent liabilities and commitments

(i) Contingent liabilities

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an on-going basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable. The following is a description of claims and assertions where a potential loss is possible, but not probable.

		Contingent liabilities (to the extent not provided for)	As at March 31, 2024	As at March 31, 2023
(a)		**Claim against the Company not acknowledged as debt**		
	(i)	Income tax Demand disputed in appeals and others (includes amount paid under protest and adjustments of Rs 2,649 lakhs, as at March 31, 2023 - Rs 2,649 lakhs)	3,162	3,175
	(ii)	Indirect Tax demand disputed in appeals (#) (includes amount paid under protest and adjustments of Rs 10 lakhs, as at March 31, 2023 - Nil lakhs)	748	323
	(iii)	Others	461	386
		Total	**4,371**	**3,884**

(#) Indirect taxes related matters:

Nature of Indirect taxes	Amount	Period to which amount pertains	Status
Goods and Service tax (1)	425	2017 - 2019	The Company has received various demand notices for a sum of Rs 425 lakhs for FY 2017-18 & FY 2018-19 majorly towards excess input claim which are being contested by the Group based on the management evaluation and advice of tax consultants.
Sales Tax	323	2013 - 2018	The Company has received various demand notices for a sum of Rs 323 lakhs from Assistant Commissioner, Commercial Tax, Mathur towards non payment of Commercial Tax on TDF which are being contested by the Group based on the management evaluation and advice of tax consultants.
Total	**748**		

Notes :

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

b) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. Also, the Company does not expect any reimbursement in respect of the above contingent liabilities.

(#) Based on the expert legal opinion obtained by the Company, management is of the view that Company has a strong ground to defend the case, thereby, estimated interest of ₹ 1,100 lakhs pertaining to exceptional item of previous year of GST related expense provision has not been provided in books.

(b)	Bank Guarantee (*)	674	500

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

(ii)	Commitments	As at March 31, 2024	As at March 31, 2023
	Commitment for acquisition of Property, Plant & Equipments (Net of advances)		
	Towards Property Plant and Equipment	219	82
	Towards Intangible Assets and Intangible under development	2,780	-
	Total	**2,999**	**82**

(B) There has been a Supreme Court (SC) judgement dated February 28, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. From the previous year ended March 31, 2022, the 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.

(C) The Code on Social Security, 2020 (Code) related to employee benefits during employment and post-employment received Presidential assent in September 2020. The Code has been published in the Gazette of India; however, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. However, the Company envisages that the impact of the above would not be material.

37. Disclosure as required under Ind AS -19 on employee benefits

Defined Benefit Obligation	As at March 31, 2024	As at March 31, 2023
Statement of Assets and Liabilities for defined benefit obligation		
Present value of funded obligations	(2,482)	(2,315)
Fair value of plan assets	54	29
Net defined benefit liability recognised	**(2,428)**	**(2,286)**

Defined benefits - Gratuity

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

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

The Company expects to contribute ₹ 848 lakhs to Gratuity Fund in the next year.

37. Disclosure as required under Ind AS -19 on employee benefits (Continued)

Defined benefits - Compensated Absences

The Company provides for accumulation of leaves by certain categories of its employees. These employees can carry forward a portion of the unutilised leaves and utilise them in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a liability for such leaves in the period in which the employee renders the services that increases this entitlement. The total liability recorded by the Company towards this obligation was ₹ 787 lacs and ₹ 898 lacs as at March 31, 2024 and March 31, 2023, respectively.

Inherent risk

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future.

The following tables analyse present value of defined benefit obligations, expense recognised in Statement of Profit and Loss, actuarial assumptions and other information.

Reconciliation of the net defined benefit (asset)/ liability:	Year ended March 31, 2024	Year ended March 31, 2023
(I) Reconciliation of present value of defined benefit obligation		
(a) Balance at the beginning of the year	2,315	1,636
(b) Current service cost	203	159
(c) Interest on defined obligations	138	80
(d) Benefits paid	(327)	(340)
(e) Benefit payments directly by employer	-	(14)
(f) Actuarial (gains)/ losses recognised in other comprehensive income		
Acquisition / Divestiture	2	-
change in demographic assumptions	4	(17)
change in financial assumptions	(140)	(77)
experience adjustments	287	888
Balance at the end of the year	**2,482**	**2,315**
(II) Reconciliation of fair value of plan assets		
(a) Balance at the beginning of the year	29	193
(b) Actual return on plan assets	2	11
(c) Contributions by the employer	350	169
(d) Benefits paid	(327)	(340)
(e) Fund Transfer adjustment	-	-
(f) Actuarial gains/(losses) on plan assets	-	(4)
Balance at the end of the year	**54**	**29**
(III) Gratuity cost recognised in Statement of Profit or Loss		
(a) Current service cost	203	159
(b) Interest on defined obligations	138	80
(c) Interest income on plan assets	(2)	(11)
Gratuity cost recognised in Statement of Profit or Loss	**339**	**228**
(IV) Remeasurements recognised in Other Comprehensive Income		
(a) Actuarial (gain) / loss on defined benefit obligation	153	794
(b) Actuarial (gain) / loss on plan assets	-	4
Amount recognised in Other Comprehensive Income	**153**	**798**

(V) Net asset/ (liability) recognised in the Balance Sheet	**As at March 31, 2024**	**As at March 31, 2023**
(a) Present value of defined benefit obligation	(2,482)	(2,315)
(b) Fair value of plan assets	54	29
Net defined benefit obligations in the Balance Sheet	**(2,428)**	**(2,286)**

(VI) Plan assets	**As at March 31, 2024**	**As at March 31, 2023**
Plan assets comprise of the following:		
Investments with LIC	100%	100%

(VII Actuarial assumptions	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Principal actuarial assumptions at the reporting date (expressed as weighted averages)		
(a) Discount rate	7.17%	7.30%
(b) Future salary growth	5.00% first 2 years 5.00% thereafter	8.00% first 2 years; 6.00% thereafter
(c) Retirement age (years)	58	58
(d) Withdrawal rates	31.25%	35.17%

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2012-14).

(All amounts in Indian Rupees lakhs, unless otherwise stated)

37. Disclosure as required under Ind AS -19 on employee benefits (Continued)

VIII Sensitivity analysis

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

Particulars		As at March 31, 2024		As at March 31, 2023	
		Increase	**Decrease**	**Increase**	**Decrease**
(a)	Discount rate (1% movement)	(57)	60	(48)	49
(b)	Future salary growth (1% movement)	69	(67)	56	(55)
(c)	Withdrawal assumption (1% movement)	1	(1)	(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.

Expected cash flows over the next (valued on undiscounted cash flows)	**As at March 31, 2024**	**As at March 31, 2023**
1 year	848	854
2 to 5 years	1,593	1,492
6 to 10 year	475	355
more than 10 years	81	45

Defined contribution	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Provident/Pension fund	807	821
Superannuation fund	2	3
Employee state insurance	68	98
Total	**877**	**922**

38. Due to Micro enterprises and small enterprises

	Particulars	**As at March 31, 2024**	**As at March 31, 2023**
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year :		
	Principal amount due to micro and small enterprises	1,058	1,114
	Interest due on above	20	14
	Total	1,078	1,128
(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.	20	14
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

Dues to Micro, small and Medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

(All amounts in Indian Rupees lakhs, unless otherwise stated)

39. Financial instruments - fair values and risk management

A. Category wise classification of financial instruments

The following table shows the carrying amounts and fair values of Financial Assets and Financial Liabilities as at March 31, 2024

Particulars	FVTPL	FVOCI	Other Financial Assets at Amortised Cost	Other Financial Liabilities at Amortised Cost	Total Carrying Amount
Financial Assets					
Trade Receivables (Refer Note 12)	-	-	24,000	-	24,000
Cash and Cash Equivalents (Refer Note 13)	-	-	8,239	-	8,239
Other Bank Balances (Refer Note 14)	-	-	106	-	106
Other Financial Assets (Refer Note 8 & 15)	-	-	2,664	-	2,664
Total	**-**	**-**	**35,009**	**-**	**35,009**
Financial Liabilities					
Borrowings (Refer Note 20 & 23)	-	-	-	17,909	17,909
Trade Payables (Refer Note 24)	-	-	-	8,673	8,673
Other Financial Liabilities (Refer Note 25)	-	-	-	10,387	10,387
Total	**-**	**-**	**-**	**36,969**	**36,969**

The following table shows the carrying amounts and fair values of Financial Assets and Financial Liabilities as at March 31, 2023

Particulars	FVTPL	FVOCI	Other Financial Assets at Amortised Cost	Other Financial Liabilities at Amortised Cost	Total Carrying Amount
Financial Assets					
Trade Receivables (Refer Note 12)	-	-	26,237	-	26,237
Cash and Cash Equivalents (Refer Note 13)	-	-	1,562	-	1,562
Other Bank Balances (Refer Note 14)	-	-	86	-	86
Other Financial Assets (Refer Note 8 & 15)	-	-	2,634	-	2,634
Total	**-**	**-**	**30,519**	**-**	**30,519**
Financial Liabilities					
Borrowings (Refer Note 20 & 23)	-	-	-	14,601	14,601
Trade Payables (Refer Note 24)	-	-	-	9,312	9,312
Other Financial Liabilities (Refer Note 25)	-	-	-	11,107	11,107
Total	**-**	**-**	**-**	**35,020**	**35,020**

Financial instruments measured at amortised cost

The carrying amount of the financial asset and financial liabilities measured at amortised cost in the financial statements are a reasonably approximation of their fair value since the Company does not anticipate that the carrying amount would be significantly different from the values that would eventually be received or settled.

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

(i) Credit risk
(ii) Liquidity risk
(iii) Market risk

Risk management framework

The Company's principal financial liabilities includes borrowings, trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, loans, cash and cash equivalents and other financial assets that derive directly from its operations.

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

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans & Deposits given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.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. Exposure to customers is diversified and there is no single customer contributing more than 10% of outstanding trade receivables and unbilled revenues.

a) Trade receivables

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. The Company uses expected credit loss model to assess the impairment loss or gain in accordance with Ind AS 109. The Company uses a provision matrix to compute the credit loss allowance for trade receivables.

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivables (Gross)	27,938	32,132
Less: Allowance for Expected Credit Loss	(3,938)	(5,895)
Trade Receivables (Net)	**24,000**	**26,237**

The movement of Expected Credit Loss are as follows :

Reconciliation of Expected Credit Loss (Trade receivables)	Amount
Expected credit loss as at April 01, 2022	**4,480**
Allowance for Expected Credit Loss	2,406
Utilisation of Allowance for Bad debts written off	(991)
Expected credit loss as at April 01, 2023	**5,895**
Allowance for Expected Credit Loss	31
Utilisation of Allowance for Bad debts written off	(1,988)
Expected credit loss as at March 31, 2024	**3,938**

(All amounts in Indian Rupees lakhs, unless otherwise stated)

39. Financial instruments - fair values and risk management (Continued)

b) Other Financial Assets (Security deposits given)

The Company has security deposits with lessors for leased premises at the year end. The credit worthiness of such lessors is evaluated by the management on an ongoing basis and is considered good. This include security deposits given to lessors with whom Letter of intent is signed.

(ii) Liquidity risk

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

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

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

March 31, 2024	Carrying amount	Contractual Cashflows			
		Total	Less than 1 Year	1 to 5 years	More than 5 years
Borrowings	17,909	17,909	17,909	-	-
Trade Payables	8,673	8,673	8,673	-	-
Other Financial Liabilities	10,387	10,387	10,387	-	-
Total	**36,969**	**36,969**	**36,969**	**-**	**-**

March 31, 2023	Carrying amount	Contractual Cashflows			
		Total	Less than 1 Year	1 to 5 years	More than 5 years
Borrowings	14,601	14,601	14,600	1	-
Trade Payables	9,312	9,312	9,312	-	-
Other Financial Liabilities	11,107	11,107	11,107	-	-
Total	**35,020**	**35,020**	**35,019**	**1**	**-**

(iii) Market Risk

Floating exchanges rates

Floating exchanges rate risk is the risk that changes in market prices - such as interest rates - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

There is no foreign currency exposure outstanding at the year end (March 31, 2023 - Nil). The Company does not have foreign currency exposure and hence is not exposed to any foreign currency risk.

Interest rate risk

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

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

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed rate instruments		
Financial liabilities		
Inter Corporate Deposits	3,484	2,250
Vehicle Loan From Banks	-	11
	3,484	**2,261**
Variable rate instruments		
Financial liabilities		
Cash Credit	14,425	12,340
	14,425	**12,340**
Total	**17,909**	**14,601**

Sensitivity analysis

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

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

Particulars	Effect on profit before tax		Consequential effect on Equity before tax	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Variable rate instruments - increase by 100 basis points	144	123	144	123
Variable rate instruments - decrease by 100 basis points	(144)	(123)	(144)	(123)

The sensitivity analysis above has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year.

40. Capital management

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure the Company monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders, debt includes current maturities of long term borrowings.

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

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings (including current maturities of Long term borrowing)	17,909	14,601
Less:		
Cash and cash equivalents	8,239	1,562
Bank Balances other than Cash and cash equivalents	106	86
Net Debt	**9,564**	**12,953**
Equity	21,565	24,480
Debt to equity ratio	0.44	0.53

41. Earnings per Share	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Loss for the year	(2,801)	(543)
Weighted average number of shares (Nos.)	5,00,000	5,00,000
Basic and Diluted Earnings Per Share (In ₹)	(560.13)	(108.63)
Nominal value of shares outstanding (In ₹)	10	10
(*) Annualised		

42. The managerial remuneration paid to the Executive Chairman & Managing Director (CMD) of the Company for the year ended March 31, 2024 is within the remuneration limit prescribed under Section 197 read with Schedule V of the Companies Act, 2013.

43. The Board of Directors in their meeting held on December 21, 2023 has considered and approved the Scheme of Arrangement involving Allcargo Logistics Limited (Parent Company), Allcargo ECU Limited(Fellow Subsidiary), Allcargo Gati Limited (the Company), Gati Express & Supply Chain Private Limited (Subsidiary) and Allcargo Supply Chain Private Limited (Fellow Subsidiary). The Scheme involves merger of fellow subsidiary and subsidiary with the Company effective from appointed date of October 01, 2023 and the merger of the Company (post-merger of fellow subsidiary and subsidiary) with the Parent Company on the date the Scheme becomes effective. The Scheme has been filed with BSE and NSE and the Company is in the process of getting the necessary regulatory and other approvals. The Scheme of Arrangement and other relevant details are available on the Company's website.

44. The Nomination and Remuneration Committee of the Board of Directors of Allcargo Gati Limited, the Holding Company, granted 17,00,000 ESARs to eligible employees of the Company during previous year in accordance with the approved 'Gati - Employees Stock Appreciation Rights Plan 2021' (ESAR 2021/Plan). Further the Holding Company allocated additional 8,75,000 options (out of total ESARs 8,90,000 options lapsed during the year) during the year as part of the Plan.

The ESARs represent the right to receive appreciation in the value of a specified number of shares of the Holding Company. The exercise price of the ESARs is determined based on the prevailing market price of the Holding Company's shares at the time of grant.

The compensation cost related to the ESARs is recognized over the vesting period, which is the period during which the employees become entitled to exercise the ESARs, based on the fair value of the ESARs at the grant date.

The Holding Company has charged ₹ 371 lakhs (March 31, 2023 - ₹ 836 lakhs) towards compensation cost pertaining to the ESARs.(Refer Note 30)

(All amounts in Indian Rupees lakhs, unless otherwise stated)

45. Related party disclosures

(A) Names of related parties and related party relationship for the year ended March 31, 2024

a) Ultimate Holding Company	Allcargo Logistics Limited
b) Holding Company	Allcargo Gati Limited (formerly known as Gati Limited)
c) Fellow Subsidiaries	i) Gati Cargo Express (Shanghai) Co. Limited ii) Allcargo Supply Chain Private Limited ** iii) Allcargo Inland Park Private Limited iv) Comptech Solutions Private Limited v) Allcargo Logistics Park Private Limited vi) Allcargo Multimodal Private Limited # vii) Prism Global Limited viii) Allcargo Terminals Limited ix) AGL Warehousing Private Limited x) Allcargo Corporate Services Private Ltd (Formerly Known as ECU International (Asia) Private ltd) xi) Gati Import & Export Trading Limited
d) Entities in which significant influence exists	i) Talentos (India) Private Limited ii) Conserve Buildcon LLP iii) National Institute of Industrial Engineering (w.e.f March 17, 2022)
e) Entities under common influence with the Company	Kintetsu World Express (India) Private Limited **
f) List of Directors & Key Managerial Personnel	i) Mr Shashi Kiran Shetty- Chairman and Non - Executive Director ii) Mr. Pirojshaw Aspi Sarkari (Appointed as Managing Director w. e. f. May 31, 2023) iii) Mr. Adarsh Hegde (w.e.f October 05, 2020 and Resigned on 31st May,2023) iv) Ms. Sheela Bhide (Resigned w. e. f. June 08, 2023) v) Mr. Nilesh Shivji Vikamsey (Appointed w.e.f May 18, 2021) vi) Mr. Dinesh Kumar Lal (Appointed w.e.f February 01,2022) vii) Mrs. Vinita Dang Mohoni(Appointed w. e. f. June 17, 2023) viii) Mr. R Ramachandran (resigned w.e.f. April 27, 2022) ix) Ms. T S Maharani – Company Secretary and Compliance Officer x) Mr. Anish Mathew Chief Financial Officer

* Avvashya Supply Chain Private Limited demerged as Avvashya CCL Logistics Private Limited w.e.f March 01, 2023 and from March 30, 2023 the name was changed to Allcargo Supply Chain Private Limited.
** Ceased to be related party on June 08th, 2023 due to disinvestment by Kintetsu World Express (India) Pvt. Ltd
#Allcargo Multimodal Private Limited is Ceased to be related party on March 07th, 2024 due to controling stake disposal

(All amounts in Indian Rupees lakhs, unless otherwise stated)

45. Related party disclosures (contd..)

(B) Summary of the transactions with related parties:

Sl. No.		Nature of transactions	Key Managerial Personnel & Relatives		Fellow Subsidiaries & Entities in which having significant influence and common influence		Holding, Subsidiaries, step down Subsidiaries & Fellow Subsidiaries		Total	
(i)		**EXPENDITURE**	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
	a)	**Lease Rentals**								
		Allcargo Gati Limited	-	-	-	-	1	109	**1**	**109**
		Talentos (India) Pvt Ltd	-	-	126	45	-	-	**126**	**45**
		Allcargo Supply Chain Private Ltd *	-	-	-	-	98	115	**98**	**115**
		Allcargo Inland Park Private Limited	-	-	-	-	-	(9)	**-**	**(9)**
		Allcargo Multimodal Private Limited #	-	-	-	-	378	378	**378**	**378**
		Comptech Solutions Private Limited	-	-	-	-	50	42	**50**	**42**
		AGL Warehousing Private Limited	-	-	-	-	9	-	**9**	**-**
		Allcargo Logistics Ltd	-	-	-	-	17	7	**17**	**7**
									679	**687**
	b)	**Remuneration (Short term employee benefits)**								
		Pirojshaw Aspi Sarkari	375	288	-	-	-	-	**375**	**288**
		Adarsh Hedge	25	150	-	-	-	-	**25**	**150**
		Directotr Sitting Fees (Short term employee benefits)								
		Dinesh Kumar Lal	2	2	-	-	-	-	**2**	**2**
		Nilesh Shivji Vikamsey	2	2	-	-	-	-	**2**	**2**
		Sheela Bhide	1	1	-	-	-	-	**1**	**1**
		Vinita Dang Mohoni	1	-	-	-	-	-	**1**	**-**
									406	**443**
	c)	**Freight Expenses**								
		Allcargo Logistics Ltd	-	-	-	-	-	2	**-**	**2**
									-	**2**
	d)	**Management Fees**								
		Allcargo Gati Limited	-	-	-	-	119	168	**119**	**168**
		All Cargo Logistics Ltd	-	-	-	-	766	502	**766**	**502**
		Allcargo Corporate Services Private Ltd (Formerly Known as ECU International (Asia) Private ltd)	-	-	-	-	119	-	**119**	**-**
		Allcargo Supply Chain Private Ltd **	-	-	-	-	282	140	**282**	**140**
									1,286	**810**
	e)	**Inter corportate Deposit (Loan) Interest Exepenses**								
		Allcargo Gati Limited	-	-	-	-	212	96	**212**	**96**

Gati Express & Supply Chain Private Limited (Formerly known as Gati Kintetsu Express Private Limited)
Notes to Financial Statements as at and for the year ended March 31, 2024
(All amounts in Indian Rupees lakhs, unless otherwise stated)

45. Related party disclosures (contd..)
(B) Summary of the transactions with related parties:

Sl. No.		Nature of transactions	Key Managerial Personnel & Relatives		Fellow Subsidiaries & Entities in which having significant influence and common influence		Holding, Subsidiaries, step down Subsidiaries & Fellow Subsidiaries		Total	
(i)		EXPENDITURE	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
	f)	**Other Expenses**								
		Allcargo Supply Chain Private Ltd *	-	-	-	-	2	3	**2**	**3**
		Conserve Buildcon LLP	-	-	242	100	-	-	**242**	**100**
		All Cargo Logistics Ltd	-	-	-	-	-	5	**-**	**5**
		Prism Global Limited	-	-	-	-	-	16	**-**	**16**
		National Institute of Industrial Engineering	-	-	-	1	-	-	**-**	**1**
		Kintentsu World Express (India) Pvt Limited **	-	-	3	16	-	-	**3**	**16**
		Allcargo Multimodal Private Limited #	-	-	-	-	94	91	**94**	**91**
		Comptech Solutions Private Limited	-	-	-	-	5	6	**5**	**6**
		Allcargo Gati Limited	-	-	-	-	-	21	**-**	**21**
									346	**259**
	h)	**Employees Compensation Cost**								
		Allcargo Gati Limited	-	-	-	-	371	836	**371**	**836**
	i)	**Capitalization**								
		Conserve Buildcon LLP	-	-	-	492	-	-	**-**	**492**
(ii)		**INCOME**								
	a)	**Freight**								
		Kintentsu World Express (India) Pvt Limited **	-	-	213	1,362	-	-	**213**	**1,362**
		Allcargo Gati Limited	-	-	-	-	6	40	**6**	**40**
		Allcargo Supply Chain Private Ltd *	-	-	-	-	8	1	**8**	**1**
		Allcargo Logistics Ltd	-	-	-	-	4	9	**4**	**9**
									231	**1,412**
	b)	**Warehouse Income**								
		Kintentsu World Express (India) Pvt Limited **	-	-	1	6	-	-	**1**	**6**
		Allcargo Supply Chain Private Ltd *	-	-	-	-	16	20	**16**	**20**
		Gati Cargo Express (Shanghai) Co. Ltd	-	-	-	-	53	71	**53**	**71**
									70	**97**
	C)	**Other Operating Income**								
		Allcargo Gati Limited (Management Fee)	-	-	-	-	6	60	**6**	**60**
		Allcargo Gati Limited (Others)	-	-	-	-	-	10	**-**	**10**
		All Cargo Logistics Ltd (Management fees)	-	-	-	-	134	191	**134**	**191**
		Allcargo Supply Chain Private Ltd (Management fee) *	-	-	-	-	302	90	**302**	**90**
		Allcargo Supply Chain Private Ltd (Fixed asset sales) *	-	-	-	-	1	-	**1**	**-**
									443	**351**

(All amounts in Indian Rupees lakhs, unless otherwise stated)

45. Related party disclosures (contd..)

(C) Summary of closing balances with related parties:

	Sl. No.	Particulars	Ultimate Holding Company		Holding Company		Fellow Subsidiaries, Associates & Entities in which having significant influence and common influence		Total	
			As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
(iv)	a)	**Sundry Debtors**								
		Kintentsu World Express (India) Pvt Limited **	-	-	-	-	-	163	**-**	**163**
		Alcargo Gati Limited	-	-	4	-	-	-	**4**	**-**
		Allcargo Logistics Ltd	8	11	-	-	-	-	**8**	**11**
		Gati Cargo Express (Shanghai) Co. Ltd			-	-	18	28	**18**	**28**
		Allcargo Supply Chain Private Ltd *	-	-	-	-	3	-	**3**	**-**
									33	**202**
		Other Receivables								
		Allcargo Gati Limited	-	-	-	-	-	-	**-**	**-**
		Allcargo Supply Chain Private Ltd *	-	-	-	-	-	40	**-**	**40**
		Allcargo Corporate Services Private Ltd (Formerly Known as ECU International (Asia) Private ltd)	-	-	-	-	0	-	**0**	**-**
		Allcargo Logistics Ltd	14	36	-	-	-	-	**14**	**36**
									14	**76**
	b)	**Deposits & Advances Given**								
		Talentos (India) Pvt Ltd	-	-	-	-	31	23	**31**	**23**
		Allcargo Multimodal Private Limited #	-	-	-	-	-	157	**-**	**157**
		Comptech Solutions Private Limited	-	-	-	-	24	24	**24**	**24**
		AGL Warehousing Private Limited	-	-	-	-	27	-	**27**	**-**
									82	**204**
	c)	**Sundry Creditors**								
		Allcargo Gati Limited	-	-	1,237	867	-	-	**1,237**	**867**
		Kintentsu World Express (India) Pvt Limited **	-	-	-	-	-	3	**-**	**3**
		Allcargo Supply Chain Private Ltd *	-	-	-	-	29	23	**29**	**23**
		Allcargo Multimodal Private Limited #	-	-	-	-	-	48	**-**	**48**
		Talentos (India) Pvt Ltd	-	-	-	-	-	4	**-**	**4**
		Comptech Solutions Private Limited	-	-	-	-	0	5	**0**	**5**
		Prism Global Limited	-	-	-	-	-	6	**-**	**6**
		Conserve Buildcon LLP	-	-	-	-	22	47	**22**	**47**
		AGL Warehousing Private Limited	-	-	-	-	9	-	**9**	**-**
		Allcargo Corporate Services Private Ltd (Formerly Known as ECU International (Asia) Private ltd)	-	-	-	-	129	-	**129**	**-**
		Allcargo Logistics Ltd	127	104	-	-	-	-	**127**	**104**
									1,553	**1,107**

(All amounts in Indian Rupees lakhs, unless otherwise stated)

45. Related party disclosures (contd..)

(C) Summary of closing balances with related parties:

Sl. No.	Particulars	Ultimate Holding Company		Holding Company		Fellow Subsidiaries, Associates & Entities in which having significant influence and common influence		Total	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
d)	**Inter Corporate Deposits (ICD) (Loan)**								
	Allcargo Gati Limited	-	-	3,484	2,250	-	-	**3,484**	**2,250**
e)	**Other Payable**								
	AGL Warehousing Private Limited (SD Payable)	-	-	-	-	27	-	**27**	**-**
f)	**Interest Payable on ICD**								
	Allcargo Gati Limited	-	-	143	86	-	-	**143**	**86**

Notes:

a) This is to confirm that the above transactions are (i) comprehensive and have been reviewed by Internal Auditors of the Company; (ii) in the ordinary course of Business and at arm's length; (iii) in compliance with applicable regulatory / statutory requirements.

b) The Management confirms that requisite test to determine the arms length has been done and documented and where required confirmation from the external experts has been obtained for such determination.

c) Related Party Transactions for which approval of the Audit Committee has been taken are well within the ambit of Omnibus Approval given by the Audit committee.

d) The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given for FY 2023-24.

e) The remuneration of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.

f) Post employee benefits are actuarially determined on overall basis and hence not seperately provided

(All amounts in Indian Rupees lakhs, unless otherwise stated)

46. Financial performance ratios

Ratio	Numerator	Denominator	Current Year	Previous Year	Variance	Reasons for Variance
Current Ratio (in times)	Current Assets	Current Liabilities	0.81	0.90	-10%	-
Debt Equity ratio (in times)	Total Debt	Shareholder's Equity	0.83	0.60	39%	Note-1
Debt service coverage ratio (in times)	Earnings available for debt Service	Total Debt in Service	1.78	1.47	21%	-
Return on Equity Ratio (in %)	Net Profit After Taxes- Preference Dividends(if any)	Average Shareholder's Equity	(0.27)	(0.04)	515%	Note-2
Inventory turnover ratio (in times)	Cost of Goods Sold or Sales	Average Inventory	NA	NA	-	-
Trade Receivables turnover ratio (in times)	Net Sales	Average Account Receivables	4.13	4.06	2%	-
Trade payables turnover ratio (in times)	Net Purchases	Average Account Payables	12.39	11.00	13%	-
Net capital turnover ratio (in times)	Net Sales	Working Capital	(17.20)	(34.16)	-50%	Note-3
Net profit ratio (in %)	Net Profit	Net Sales	(0.02)	(0.00)	412%	Note-4
Return on Capital employed (in %)	Earnings before interest and tax	Capital Employed	(0.08)	0.09	-189%	Note-5
Return on investment (in %)	Earnings before interest and tax	Investment	NA	NA	-	-

Explanations given where the change in the ratio is more than 25% as compared to the preceding year.
Notes :
1) Decline in Debt to equity ratio is attributed to increased debt as compared to previous year and reduction in other equity due to current year losses.
2) The decline in Return on Equity (ROE) is due to lower earnings and profitability caused by reduced yield and higher operating costs.
3) The improvement in the Net Capital Turnover ratio is attributed to optimized working capital utilization as compared to previous year.
4) Declined earnings and profitability, attributed to lower yield and escalated operating costs, are the factors contributing to the decrease in Net profit ratio.
5) The decrease in Return on Capital Employed is driven by a decline in profitability and increased borrowings compared to the previous year.

Definitions:

(a) Earning for available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of Fixed assets etc.
(b) Debt service = Interest & Lease Payments + Principal Repayments
(c) Average inventory = (Opening inventory balance + Closing inventory balance) / 2
(d) Net sales = Net sales consist of gross sales minus sales return
(e) Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance) / 2
(f) Net purchases = Net purchases consist of gross purchases minus purchase return
(f) Net credit purchases = Net credit purchases consist of gross credit purchases minus purchase return
(h) Working capital = Current assets - Current liabilities.
(i) Earning before interest and taxes = Profit before exeptional items and tax + Finance costs
(j) Capital Employed = Total Equity + Total Debt - Goodwill
(k) Return on Investment
(MV(T1) – MV(T0) – Sum [C(t)])
(MV(T0) + Sum [W(t) * C(t)])
where,
T1 = End of time period, T0 = Beginning of time period, t = Specific date falling between T1 and T0
MV(T1) = Market Value at T1, MV(T0) = Market Value at T0
C(t) = Cash inflow, cash outflow on specific date
W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day ‘t’, calculated as [T1 – t] / T1

47. Other statutory information

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

Name of the Company	Nature of transactions	Balance as at March 31, 2024	Balance as at March 31, 2023
M G Corporation	Receivables	10	-
Mayur Enterprises	Receivables	3	-
Mrp Logistics	Receivables	3	-
Advance Valves Private Limited	Receivables	3	-
Laxmi Enterprises	Receivables	3	-
Entex Shipping Private Limited	Receivables	2	-
Sew Eurodrive Inida Private Limited	Receivables	2	-
Rahul Enterprises	Receivables	2	-
Nova Enterprises Private Limited	Receivables	16	-
Indo American Vitamin Foods Private Limited	Receivables	-	310
Alok Leasing Private Limited	Receivables	-	1
Apurva Organics Limited	Receivables	-	1
Bgrg Electrosoft Private Limited	Receivables	-	1
Crown Closures Private Limited	Receivables	-	0
Danfoss Industries Private Limited	Receivables	38	67
Ford India Private Limited	Receivables	-	73
Gilard Electronics Private Limited	Receivables	-	0
Inox India Private Limited	Receivables	-	2
Jassonia Enterprises India Private Limited	Receivables	-	2
Madura Coats Private Limited	Receivables	2	2
Thermadyne Private Limited	Receivables	-	0
Welspun India Limited	Receivables	-	1
Total		**84**	**460**
Interglobe Aviation Limited	Payables	10	-
Sb Enterprises	Payables	1	-
Progressive Logistics	Payables	1	-
3S Enterprises	Payables	1	-
Total		**13**	**-**

Note: 1) Wherever amounts are "0", the value is less than rupees fifty thousand.
2) None of the above mentioned party is related party as per the definition of "related party" under section 2(76) of the Companies Act, 2013.

(All amounts in Indian Rupees lakhs, unless otherwise stated)

47. Other statutory information (Continued)

(ii) The Company is in the continuous process of filing the charge satisfaction e-form with MCA, within the timelines, as and when it receives NOCs from the respective charge holders.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during current or previous financial year.

(iv) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority during current or previous financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) during current or previous financial year with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) during current or previous financial year with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

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

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

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

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

48. During the current year, Allcargo Logistics Limited ("Parent Company") has acquired a 30% stake (1,50,000 Equity Shares) in "Gati Express & Supply Chain Private Limited" (formerly known as Gati Kintetsu Express Private Limited), a material subsidiary. The acquisition comprises 1,30,000 equity Shares (26% stake) from KWE-Kintetsu World Express (S) Pte Ltd and 20,000 Equity Shares (4% stake) from KWE Kintetsu Express (India) Private Limited. The name of the Subsidiary Company " Gati Kintetsu Express Private Limited" has been changed to "Gati Express & Supply Chain Private Limited" w.e.f. July 27, 2023, duly approved by the Registrar of Companies, Mumbai, Ministry of Corporate Affairs.

49. The Company has used five accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same was enabled throughout the year except in case of the following two accounting software wherein this feature was enabled from specific date as mentioned below:

Application	Audit trail enablement date
GEMS	Audit trail at application layer is enabled from May 17, 2023, Database level effective throughout the year.
Oracle	Audit trail at application layer is enabled from April 28, 2023, Database level effective throughout the year.

There is no instance of audit trail feature being tampered with was noted in respect of above accounting softwares

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

51. There are no subsequent events after the reporting date.

52. There are no standards that are notified and not yet effective as on the date

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

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

As per our report of even date attached

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No: 101049W/E300004

Per Aniket A Sohani
Partner
Membership no: 117142

Place: Mumbai
Date: May 16, 2024

For and on behalf of the Board of Directors of Gati Express & Supply Chain Private Limited (Formerly known as Gati Kintetsu Express Private Limited)
CIN: U62200MH2007PTC390900

Shashi Kiran Shetty
Chairman
DIN: 00012754

Pirojshaw Sarkari
Managing Director
DIN: 00820860

Anish T Mathew
Chief Financial Officer
M. No. 211965

T S Maharani
Company Secretary
M No. F8069

Place: Hyderabad
Date: May 16, 2024