IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES.

THIS OFFERING OF THE EQUITY SHARES DESCRIBED IN THE ATTACHED PLACEMENT DOCUMENT IS AVAILABLE ONLY TO INVESTORS WHO ARE QUALIFIED INSTITUTIONAL BUYERS AS DEFINED UNDER REGULATION 2(1)(SS) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS").

IMPORTANT: You must read the following notice before continuing. This e-mail is intended for the named recipient(s) only. If you are not an intended recipient, please immediately notify us by reply email and then delete this e-mail from your system.

The following notice applies to the attached pre-numbered placement document dated June 27, 2024 (the "**Placement Document**") in relation to the proposed qualified institutions placement of equity shares of face value of ₹ 2 each (the "**Equity Shares**") by Allcargo Gati Limited (the "**Company**", and such offering, the "**Issue**") filed with BSE Limited and National Stock Exchange of India Limited (together, the "**Stock Exchanges**"). You are advised to read the following notice carefully before reading, accessing or making any other use of the Placement Document. By accessing the Placement Document, you acknowledge and agree to be bound by the following terms and conditions, including any modifications to them, from time to time, each time you receive any information from us as a result of such access.

None of Nuvama Wealth Management Limited (*formerly known as Edelweiss Securities Limited*) or Equirus Capital Private Limited (together, the "**Book Running Lead Managers**") or any person who controls any of them or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers (i) accepts any liability whatsoever for any loss howsoever arising from any use of this e-mail or the attached Placement Document or otherwise arising in connection therewith or (ii) is making any representation or warranty, expressed or implied, as to the accuracy, completeness or fairness of the information or opinions contained in the Placement Document and such persons do not accept responsibility or liability for any such information or opinions.

The Placement Document is intended for use by the named recipient(s) only and you are not authorised to distribute it to any other person, in whole or in part, except your members, directors, officers, employees, agents, advisors and funding sources (on a need to know basis) (provided that they are not in the United States or in any jurisdiction where offers of the Equity Shares in the Issue are prohibited by law).

The offer of Equity Shares in the Issue is personal to each investor and is being made on a private placement basis and does not constitute, and should not be construed as, an offer or invitation or solicitation of an offer to the public or to any other person or class of investors.

INVESTING IN THE EQUITY SHARES DESCRIBED IN THE PLACEMENT DOCUMENT INVOLVES RISKS AND YOU SHOULD NOT INVEST ANY FUNDS IN THE EQUITY SHARES, UNLESS YOU ARE PREPARED TO RISK LOSING ALL OR PART OF YOUR INVESTMENT. YOU ARE ADVISED TO CAREFULLY READ THE SECTION TITLED "RISK FACTORS" AS WELL AS INFORMATION CONTAINED ELSEWHERE IN THE ATTACHED PLACEMENT DOCUMENT BEFORE MAKING AN INVESTMENT DECISION.

The Issue and the distribution of the Placement Document is being done in reliance upon Chapter VI of the SEBI ICDR Regulations, and Section 42 and Section 62 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, and other applicable provisions of the Companies Act, 2013 and rules framed thereunder, each as amended (together, the "**Companies Act**"). The offer of Equity Shares in the Issue should not be construed as an invitation, offer or sale of any securities to the public in India. The Placement Document has not been and will not be registered or filed as a prospectus or a statement in lieu of prospectus with any registrar of companies in India under the Companies Act, and the Placement Document should not be considered an offer document under the SEBI ICDR Regulations or any other applicable law. The Placement Document has been submitted to the Stock Exchanges. The Placement Document has not been, and will not be, reviewed or approved by any regulatory authority in India or abroad, including the Securities and Exchange Board of India, any registrar of companies in India or any stock exchange in India.

The Equity Shares offered in the Issue have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Equity Shares in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in, and in accordance with, Regulation S under the U.S. Securities Act ("**Regulation S**") and in accordance with the applicable laws of the jurisdictions in which such offers and sales are made.

NOTHING HEREIN CONSTITUTES AN OFFER OF EQUITY SHARES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

The Placement Document is personal to each prospective investor and does not constitute, and may not be used in connection with, an offer or invitation or solicitation of Equity Shares in any jurisdiction where offers, invitations or solicitations are not permitted by law. You are reminded that the Placement Document has been delivered to you on the basis that you are a person into whose possession the Placement Document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located.

YOU MAY NOT AND ARE NOT AUTHORIZED TO (1) FORWARD, DISTRIBUTE OR DELIVER THE ATTACHED PLACEMENT DOCUMENT, ELECTRONICALLY OR OTHERWISE, OR DISCLOSE THE CONTENTS OF THE PLACEMENT DOCUMENT TO ANY OTHER PERSON OR (2) REPRODUCE IN WHOLE OR PART THE ATTACHED PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISSEMINATION, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF APPLICABLE LAWS.

If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase Equity Shares in the Issue.

If a jurisdiction requires that the offer of Equity Shares in the Issue be made by a licensed broker or dealer, and any of the Book Running Lead Managers or any of their respective affiliates is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such licensed broker or dealer on behalf of the Company in such jurisdiction.

The Placement Document has been made available to you in electronic form. You are reminded that documents transmitted through this medium may be altered or changed during the process of transmission and consequently, none of the Company or the Book Running Lead Managers or any of their respective directors, officers, employees, agents, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the Placement Document distributed to you in electronic form and the physical copy. We will provide a physical copy to you upon your request.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Actions That You May Not Take: You should not reply by e-mail to this message, and you may not purchase any of the Equity Shares in the Issue by doing so. Any reply, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

If you access the Placement Document, you will be deemed to make the following representations, warranties and agreements to the Company and the Book Running Lead Managers:

(1) you are the intended recipient of the attached Placement Document and you are a "Qualified Institutional Buyer" as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws and not excluded pursuant to Regulations 179(2)(b) of the SEBI ICDR Regulations;

(2) you are aware that if you, together with any other Qualified Institutional Buyers belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in this Issue, the Company shall be required to disclose your name, along with the name of such other Allottees and the number of Equity Shares Allotted to you and to such other Allottees, on the website of the Stock Exchanges, and you consent to such disclosure;

(3) you are aware that if you are allocated Equity Shares in the Issue your name is included in the Placement Document as a proposed allottee along with the number of Equity Shares proposed to be Allotted to you and the percentage of your post-Issue shareholding in the Company and you consent to such disclosure;

(4) you are outside the United States (as defined in Regulation S);

(5) you are in a jurisdiction where delivery of the attached Placement Document may be lawfully made in accordance with the laws of the jurisdiction;

(6) you are aware that if you receive the Placement Document or are allotted any Equity Shares in the Issue, the Company is required to disclose details such as your name, address, PAN, email-id and the number of Equity Shares allotted to you along with other relevant information as may be required, to the Registrar of Companies, Maharashtra at Mumbai and you consent to such disclosures; and

(7) you consent to delivery of the attached Placement Document and any amendments or supplements thereto by electronic transmission.

If you do not agree to the terms contained in this notice, you are unauthorised to access the attached Placement Document and you should delete this email and destroy any printed copies of the Placement Document.

Capitalised terms used but not defined herein shall have the meaning ascribed to such terms in the Placement Document.

ALLCARGO GATI LIMITED

Allcargo Gati Limited (the "**Company**") was originally incorporated on April 25, 1995, under the Companies Act, 1956 as '*Gati Corporation Limited*' and received the commencement of business operations certificate on May 5, 1995, from the Registrar of Companies, Andhra Pradesh at Hyderabad. The name of our Company was changed to '*Gati Limited*' pursuant to a fresh certificate of incorporation consequent upon change of name issued by the Registrar of Companies, Andhra Pradesh at Hyderabad on October 24, 2000. Further, the name of our Company was subsequently changed to '*Allcargo Gati Limited*' pursuant to a fresh certificate of incorporation consequent upon change of name issued by the Registrar of Companies, Telangana at Hyderabad on October 19, 2023. The Registered Office of the Company was shifted from Western Pearl, 4th Floor, Survey No. 13(p), Kondapur, Rangareddi 500 084, Hyderabad, Telangana, India to 4th Floor, B Wing, Allcargo House, CST Road, Kalina, Vidyanagari, Santacruz (East), Mumbai 400 098, Maharashtra, India, pursuant to issuance of fresh certificate of registration dated February 27, 2024, pursuant to an order of the regional director dated July 28, 2023 and the approval granted by the Registrar of Companies, Telangana at Hyderabad and Registrar of Companies, Maharashtra at Mumbai. For further details regarding changes in the name and registered office of our Company, see *"General Information"* on page 243.

Registered Office: 4th Floor, B Wing, Allcargo House, CST Road, Kalina, Vidyanagari, Santacruz (East), Mumbai 400 098, Maharashtra, India | **Corporate Office:** Western Pearl, 4th Floor, Survey No. 13(p), Kondapur, Rangareddi, Hyderabad 500 084, Telangana, India
Contact Person: Thiruvellur Shanthavadhan Maharani, Company Secretary and Compliance Officer
Telephone: +91 040 7120 4229; **E-mail:** maharani.ts@allcargologistics.com; **Website:** www.gati.com; **CIN:** L63011MH1995PLC420155

Issue of up to 1,67,60,800 equity shares of face value ₹ 2 each of our Company ("**Equity Shares**") at a price of ₹ 101.00 per Equity Share (the "**Issue Price**"), including a premium of ₹ 99.00 per Equity Share, aggregating up to ₹ 169.28 crores (the "**Issue**"). For further details, see "*Summary of the Issue*" on page 33.

THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 AND SECTION 62 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED (THE "COMPANIES ACT")

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBs (AS DEFINED HEREINAFTER) IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND CHAPTER VI OF THE SEBI ICDR REGULATIONS. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR. THE ISSUE DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OR CATEGORY OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBs. THIS PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN VIOLATION OF THE COMPANIES ACT, THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION "*RISK FACTORS*" ON PAGE 41 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE, EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT (AS DEFINED HEREINAFTER). PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND OUR COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THE PRELIMINARY PLACEMENT DOCUMENT AND/OR THIS PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

The Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on BSE and NSE as on June 26, 2024 was ₹ 110.59 and ₹ 110.54 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), for listing of the Equity Shares to be issued pursuant to the Issue have been received from BSE and NSE, each on June 24, 2024. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to this Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or of the Equity Shares.

A copy of the Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter)) has been delivered to the Stock Exchanges and a copy of this Placement Document (which shall also include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges in due course. Our Company shall also make requisite filings with the RoC (as defined hereinafter), within the stipulated timeframe prescribed under the Companies Act and the PAS Rules (as defined hereinabove). The Preliminary Placement Document and this Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs (as defined hereinafter). The Preliminary Placement Document and this Placement Document has not been and will not be filed as a prospectus with the RoC, will not be circulated or distributed to the public in India or any other jurisdiction, and the Issue will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to the Preliminary Placement Document together with the Application Form, this Placement Document and the Confirmation of Allocation Note (as defined hereinafter). For further details, see "*Issue Procedure*" on page 179. The distribution of this Placement Document or the disclosure of its contents, without our Company's prior consent, to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in Preliminary Placement Document.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**") and in accordance with the applicable laws of the jurisdictions where those offers and sales are made. For the selling restrictions in certain other jurisdictions, see *"Selling Restrictions"* on page 195. See *"Purchaser Representations and Transfer Restrictions"* on page 204 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

The information on our Company's website or any website directly or indirectly linked to our Company's website or the websites of the BRLMs (as defined hereinafter) or any of their respective affiliates does not constitute or form a part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

This Placement Document is dated June 27, 2024.

BOOK RUNNING LEAD MANAGERS	
NUVAMA WEALTH MANAGEMENT LIMITED (*Formerly known as Edelweiss Securities Limited*)	**EQUIRUS CAPITAL PRIVATE LIMITED**

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all the information contained in this Placement Document and confirms that to the best of our knowledge and belief, having made all reasonable enquiries, this Placement Document contains all the information with respect to us and the Equity Shares which is material in the context of the Issue. The statements contained in this Placement Document relating to us and the Equity Shares are, in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Placement Document with regard to us and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to us. There are no other facts in relation to us and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by us to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Placement Document is provided as of the date of this Placement Document and neither our Company nor the Book Running Lead Managers have any obligation to update such information to a later date. Neither the delivery of this Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that the information contained in this Placement Document is correct as of any time subsequent to its date. The information contained in this Placement Document has been provided by our Company and from other sources identified herein.

Nuvama Wealth Management Limited *(Formerly known as Edelweiss Securities Limited)* and Equirus Capital Private Limited *(Pursuant to section 174 (2) of SEBI ICDR Regulations, Equirus Capital Private Limited is an associate of the Company and its role shall be limited to only marketing of the Issue)*, (together, the "**Book Running Lead Managers**" or "**BRLMs**") have not separately verified all of the information contained in this Placement Document (financial, legal or otherwise). Accordingly, neither the BRLMs nor any of their respective shareholders, employees, counsels, officers, directors, representatives, agents or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by such persons, as to the accuracy or completeness of the information contained in this Placement Document or any other information (financial, legal or otherwise) supplied in connection with us and the Equity Shares or distribution of this Placement Document. Each person receiving this Placement Document acknowledges that such person has not relied on the BRLMs or on any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, associates or any other affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company, our Subsidiary and our Associate and the merits and risks involved in investing in the Equity Shares offered in the Issue.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company or by or on behalf of the BRLMs.

The Equity Shares offered in the Issue have not been approved, disapproved or recommended by the securities authority or any other regulatory authority of any jurisdiction, including SEBI. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary is a criminal offence in certain jurisdictions.

The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs, whose names are recorded by our Company prior to the invitation to subscribe to the Issue, in consultation with the Book Running Lead Managers, or their representatives, and those retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and not further distribute or make any copies of this Placement Document or any documents referred to in this Placement Document.

The distribution of this Placement Document and the offer and sale of the Equity Shares offered in the Issue may be restricted in certain countries or jurisdictions by applicable laws. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any country or jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, except for in India, no action has been taken by our Company and the BRLMs that would permit an offering of the Equity Shares or distribution of this Placement Document in any country or jurisdiction, where action for that purpose is required. The Equity Shares offered in the Issue, may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering material issued in connection with the Issue may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. In particular, the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For a description of the restrictions applicable to the offer and sale of the Equity Shares offered in the Issue in certain other jurisdictions, see "*Selling Restrictions*" on page 195. Further, see "*Purchaser Representations and Transfer Restrictions*" on page 204 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

In making an investment decision, prospective investors must rely on their own examination of our Company, our Subsidiaries, our Associate and the terms of the Issue, including the merits and risks involved. Prospective investors should not construe the contents of this Placement Document as legal, business, tax, accounting or investment advice. Prospective investors should consult their own counsel and advisors as to business, investment, legal, tax, accounting and related matters concerning the Issue. In addition, our Company or the BRLMs are not making any representation to any prospective investor, regarding the legality or suitability of an investment in the Equity Shares by such prospective purchaser under applicable legal, investment or similar laws or regulations. Prospective investors should conduct their own due diligence on the Equity Shares and our Company.

Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Sections 42 and 62 of the Companies Act, Rule 14 of the PAS Rules and other provisions of the Companies Act, and that it is not prohibited by SEBI or any other regulatory, statutory or judicial authority, in India or any other jurisdiction, from buying, selling or dealing in securities, including the Equity Shares.

This Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such documents.

Our Company and the BRLMs are not liable for any amendment or modification or change to applicable laws or regulations that may occur after the date of this Placement Document.

The information on our Company's website, www.gati.com, or any website directly or indirectly linked to the website of our Company or on the websites of the BRLMs or any of their respective affiliates does not constitute nor form part of this Placement Document. Prospective investors should not rely on any such information contained in, or available through, any such websites.

Our Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

REPRESENTATIONS BY INVESTORS

All references to "you" or "your" in this section are to the Bidders in this Issue. By bidding for and/or subscribing to any of the Equity Shares offered in this Issue, you are deemed to have represented, warranted, acknowledged and agreements set forth in the sections "*Notice to Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 1, 195 and 204, respectively, and to have represented, warranted and acknowledged to and agreed to our Company and the BRLMs as follows:

- You are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;

- You are eligible to invest in India under applicable law, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India;

- If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office), having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the SEBI FPI Regulations, FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. You confirm that you are not an FVCI;

- You will provide the information as required under the Companies Act, the PAS Rules and applicable SEBI ICDR Regulations and rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;

- You are eligible to invest and hold the Equity Shares of our Company in accordance with the FDI Policy (as defined hereinafter), and read along with the Press Note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and the related amendment to the FEMA Rules, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the rule 6 of the FEMA Rules**;**

- If you are Allotted Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment (as defined hereinafter), sell the Equity Shares so acquired, except on the floor of the Stock Exchanges and in accordance with any other resale restrictions applicable to you. You hereby make the representations, warranties, acknowledgements, undertakings and agreements in the sections entitled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 195 and 204, respectively;

- You are aware that the Preliminary Placement Document and this Placement Document has not been and will not be filed as a prospectus with the RoC under the Companies Act, the SEBI ICDR Regulations or under any other law in force in India and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. You acknowledge that this Placement Document has not been reviewed, verified or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs;

- You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise and authorisations and complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;

- You are aware that our Company, the BRLMs and their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are not making any recommendations to you or advising you regarding the suitability of investing in the Equity Shares offered in the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the BRLMs. You acknowledge that the BRLMs and their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates do not have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not, in any way, acting in any fiduciary capacity in relation to you;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the "**Company Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the BRLMs may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLMs have advised you not to place undue reliance in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material or price sensitive information relating to our Company and the Issue that was not publicly available;

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made on the basis of any information, that is not set forth in the Preliminary Placement Document and this Placement Document;

- You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act;

- You understand that the Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid-up and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared.

- You acknowledge that all statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding us or our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. You are aware that, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. You acknowledge that all forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You shall not place undue reliance on forward-looking statements, which speak only as at the date of this Placement Document. You acknowledge that none of our Company, the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assume any responsibility to update any of the forward-looking statements contained in this Placement Document;

- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category other than Eligible

QIBs, and the Allotment of the same shall be at the sole discretion of our Company, in consultation with the BRLMs;

- You are aware that in terms of the requirements of the Companies Act, upon Allocation, our Company has disclosed names and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document, as applicable. You acknowledge that the disclosure of such details in relation to the proposed Allottees in this Placement Document does not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs;

- You are aware that the pre-Issue and post-Issue shareholding pattern of our Company, as required by the SEBI Listing Regulations, will be filed by our Company with the Stock Exchanges;

- You are aware that if you together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;

- You have been provided a serially numbered copy of the Preliminary Placement Document and this Placement Document and have read it in its entirety, including in particular, "*Risk Factors*" on page 41;

- In making your investment decision, you have (i) relied on your own examination of us, the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of us, the Equity Shares and the terms of the Issue, based solely on and in reliance of the information contained in the Preliminary Placement Document and this Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of us and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

- None of our Company, the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares offered in the Issue;

- You will obtain your own independent tax advice from a service provider and will not rely on the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Equity Shares (including in relation to limited to the Issue and the use of the proceeds from the Equity Shares). You waive, and agree not to assert any claim against us or the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You and any managed accounts for which you are subscribing for the Equity Shares (i) are aware that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment and are each able to bear the economic risk of the investment in the Equity Shares including the complete loss on the investment in the Equity Shares; (ii) will not look to our Company and/or the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise; (iii) have no need for liquidity with respect to the investment in the Equity Shares; and (iv) you are seeking to subscribe to the Equity Shares in the Issue for your investment purposes and not with a view to resell or distribute such Equity Shares and have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares;

- You are not a 'promoter' of our Company as defined under the Companies Act and the SEBI ICDR Regulations, and are not a person related to our Promoters, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent our Promoters or members of our Promoter Group (as defined under the SEBI ICDR Regulations) or persons or entities related thereto;

- You have no rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares, the acquisition of which shall not deem you to be a Promoters or a person related to the Promoters;

- You agree that in terms of Section 42 of the Companies Act and Rule 14 of the PAS Rules, we shall file the list of Eligible QIBs (to whom the Preliminary Placement Document was circulated) along with other particulars including your name, complete address, phone number, e-mail address, permanent account number and bank account details, including such other details as may be prescribed or otherwise required even after the closure of the Issue with the RoC and SEBI within 30 days of circulation of the Preliminary Placement Document and this Placement Document and other filings required under the Companies Act, 2013;

- You acknowledge that you will have no right to withdraw your Bid or revise your Bid downwards after the Bid/ Issue Closing Date (as defined hereinafter);

- You are eligible to Bid for and hold the Equity Shares so Allotted, together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

- The Bid made by you would not ultimately result in triggering an open offer under the SEBI Takeover Regulations as defined herein) and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

- Your aggregate equity shareholding in our Company, together with other Eligible QIBs that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

    (a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary or holding company and any other Eligible QIBs; and

    (b) 'Control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations;

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares to be issued pursuant to this Issue are issued by the Stock Exchanges;

- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares to be issued pursuant to the Issue and for trading on the Stock Exchanges, were made and an in-principle approval has been received by our Company from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final listing and trading approvals for listing of the Equity Shares, to be issued pursuant to this Issue, will be obtained in time or at all. Neither our Company nor the BRLMs nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the BRLMs have entered into a Placement Agreement with our Company whereby each of the BRLMs have, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use its reasonable efforts to procure subscription for the Equity Shares on the terms and conditions set forth therein;

- You understand that the contents of this Placement Document are exclusively the responsibility of our Company, and that neither the BRLMs nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates nor any person acting on its or their behalf or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Placement Document or otherwise. By accepting a participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the BRLMs or our Company or any other person, and the BRLMs or our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the BRLMs and their respective affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

- You understand that the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including the non-performance by our Company or any of its obligations or any breach of any representations or warranties by us, whether to you or otherwise;

- You are able to purchase the Equity Shares offered in the Issue in accordance with the restrictions described in "*Selling Restrictions*" on page 195 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" on page 195;

- You agree that any dispute arising in connection with the Issue shall be governed by and construed in accordance with the laws of Republic of India, and the courts in Mumbai, India shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Preliminary Placement Document, this Placement Document and this Issue;

- You acknowledge that the Preliminary Placement Document did not, and thiss Placement Document does not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

- You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

- You are aware that in terms of the SEBI FPI Regulations and the FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than fifty percent or common control) shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to our Company. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the

RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations;

- You represent that you are not an affiliate of our Company or the BRLMs or a person acting on behalf of such affiliate.

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;

- You agree to indemnify and hold our Company, the BRLMs and their respective directors, officers, employees, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in the Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws;

- You acknowledge that our Company, the BRLMs, their respective affiliates, directors, officers, counsels, employees, shareholders, representatives, agents, controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, and that they are irrevocable; and

- If you are acquiring the Equity Shares to be issued pursuant to this Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and hereby make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to “you” to include such accounts.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI including affiliates of the BRLMs, which is registered as a Category I FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**P-Notes**"), and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs, subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been and are not being offered or sold pursuant to this Placement Document. This Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including without limitation, any information regarding any risk factors relating thereto.

For further details relating to investment limits of FPIs, please see the section entitled "*Issue Procedure*" on page 179. P-Notes may be issued only in favour of those entities which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations. Pursuant to its circular dated June 10, 2016, SEBI has introduced additional requirements applicable to P-Notes, including (i) KYC norms for issuers of P-Notes which require identification and verification of beneficial owners of entities subscribing to the P-Note holding more than a prescribed threshold; (ii) the requirement for issuers to file suspicious transaction reports with the Indian Financial Intelligence Unit; and (iii) the requirement for the issuer to report details of intermediate transfers in the monthly reports on P-Notes submitted to SEBI. An Eligible FPI shall also ensure that no further issue or transfer of any instrument referred to above is made by or on behalf of it to any person other than such entities regulated by appropriate foreign regulatory authorities.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control,) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis ("**Investment Restrictions**"). The SEBI has, *vide* a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the Investment Restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, the Investment Restrictions shall apply on the aggregate of the FPI investments and P-Notes positions held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, read with the FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy and FEMA Rules. These investment restrictions shall also apply to subscribers of P-Notes.

Affiliates of the BRLMs who are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLMs do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLMs and does not constitute any obligations of or claims on the BRLMs.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

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DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document and this Placement Document has been submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of the contents of the Preliminary Placement Document and this Placement Document; or

2. warrant that the Equity Shares to be issued pursuant to this Issue, will be listed or will continue to be listed on the Stock Exchanges; or

3. take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.

It should not, for any reason be deemed or construed to mean that the Preliminary Placement Document and this Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain conventions

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'bidder', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor' are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue, references to "our Company", "the Company" or the "Issuer" are to Allcargo Gati Limited on a standalone basis and references to 'we', 'us', 'our' or the 'Group' are to Allcargo Gati Limited together with its Subsidiaries and its Associate as well, on a consolidated basis.

Currency and units of presentation

In this Placement Document, (i) references to '₹', 'INR', 'Rs.', 'Indian Rupees' and 'Rupees' are to official currency of Republic of India; (ii) references to 'US$', 'USD' and 'U.S. dollars' are to the official currency of the United States of America; and (iii) references to "EUR" or "€" are to Euro, the legal currency of the European Union. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to "India" are to the Republic of India and its territories and possessions and all references herein to the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

Figures in this Placement Document have been presented in crores or in whole numbers where the numbers have been too small to present in crore unless stated otherwise. Further, certain figures in the "*Industry Overview*" section of this Placement Document have been presented in millions. Our Audited Consolidated Financial Statements for Fiscals 2024, 2023 and 2022, are prepared in lakhs and have been presented in this Placement Document in lakhs for presentation purposes.

In this Placement Document, references to "crore(s)" represents "1,00,00,000", "million" represents "0.1 crore" or "1,000,000", "lakh(s)" represents "1,00,000" or "0.1 million" and "billion" represents "1,000,000,000" or "1,000 million" or "100 crore".

Unless otherwise specified, all financial numbers in parentheses represent negative figures.

Page numbers

Unless otherwise stated, all references to page numbers in this Placement Document are to page numbers of this Placement Document.

Financial data and other information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to the terms "Fiscal", "Fiscals" or "Fiscal year", "FY", refer to the 12-month period ending March 31 of that particular year.

Our Company has published its Audited Consolidated Financial Statements as of and for Fiscal 2024, Fiscal 2023 and Fiscal 2022, in compliance with the SEBI Listing Regulations. As required under the applicable regulations, and for the convenience of prospective investors, our Company has included the following in this Placement Document:

i. audited consolidated financial statements of our Company as at and for Fiscal 2024, Fiscal 2023 and Fiscal 2022, prepared in accordance with the Indian Accounting Standards ("**Ind AS**") notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Companies Act (collectively, the "**Audited Consolidated Financial Statements**"). The audited consolidated financial statements of our Company for Fiscal 2022 have been audited by our erstwhile statutory auditors, namely Singhi & Co., Chartered Accountants.

The Audited Consolidated Financial Statements should be read along with the respective reports issued thereon. For further information, see "*Financial Information*" *and* "*Management's Discussion and Analysis of Financial Condition and Results of Operations"* on page 242 and 85, respectively.

Our Company presents its annual financial statements under Ind AS. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**"). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Placement Document, nor does our Company provide a reconciliation of its audited consolidated financial statements to IFRS or U.S. GAAP. Accordingly, the degree to which the Audited Consolidated Financial Statements included in this Placement Document will provide meaningful information is entirely dependent on the reader's familiarity with the respective Indian accounting policies and practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited. Prospective investors are advised to consult their advisors before making any investment decision.

Certain figures contained in this Placement Document, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless stated otherwise or context requires otherwise, all figures from or derived from the Audited Consolidated Financial Statements are in decimals and have been rounded off to two decimal points, as has been presented in the Audited Consolidated Financial Statements. Certain operational numbers may have been rounded off to one decimal point in some instances. Unless otherwise specified, all financial numbers in parenthesis represent negative figures. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Non-GAAP financial measures

Certain non-GAAP measures, such as EBITDA, EBITDA Margin, Return on Capital Employed, Return on Equity and PAT Margin, presented in this placement document are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these non GAAP measures are not standardized terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting their usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards. Our management believes that EBITDA and other non-GAAP financial measures provide investors with additional information about our performance, as well as ability to incur and service debt and make capital expenditures and are measures commonly used by investors. The non-GAAP financial measures described herein are not a substitute for Ind AS (or IFRS) measures of earnings and may not be comparable to similarly titled *measures* reported by other companies due to differences in the way these measures are calculated. In addition, you should note, that other companies in the same industry as ours may calculate and present these data in a different manner and, therefore, you should use caution in comparing our data with data presented by other companies, as the data may not be directly comparable.

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Placement Document consists of estimates based on data reports compiled by governmental bodies, professional organisations and analysts and on data from other external sources, and on our knowledge of markets in which we compete.

Unless stated otherwise, statistical information, industry and market data used throughout this Placement Document has been obtained from the report titled *"Indian Express Logistics Industry*" dated June 2024 ("**Aviral Report**"), which is a report commissioned and paid for by us and prepared and issued by Aviral Consulting Private Limited, pursuant to an engagement letter dated February 15, 2024, in connection with the Issue.

The Aviral Report contains the following disclaimer:

"The report has been prepared as a general summary of matters on the basis of our interpretation of the publicly available information, our experiences and the information provided to us, and should not be treated as a substitute for a specific business advice concerning individual matters, situations or concerns. Procedures we have performed do not constitute an audit of the Company's historical financial statements nor do they constitute an examination of prospective financial statements. We have also not performed any procedures to ensure or evaluate the reliability or completeness of the information obtained from the Company. Accordingly, we express no opinion, warranty, representation or any other form of assurance on the historical or prospective financial statements, management representations, or other data of the Company included in or underlying the accompanying information."

This information is subject to change and cannot be certified with complete certainty due to limits on the availability and reliability of raw data and other limitations and uncertainties inherent in any statistical survey. The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Further, the calculation of certain statistical and/ or financial information/ ratios specified in the sections titled "*Our Business*", "*Risk Factors*", "*Management's Discussions and Analysis of Results of Operations and Financial Condition*" on pages 154, 41, and 85, respectively, and otherwise in this Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the Aviral Report. Data from these sources may also not be comparable.

Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – This Placement Document contains information from an industry report which we have commissioned from Aviral Consulting Private Limited. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate*" on page 59.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute "forward-looking statements." Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "can", "could", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "would", "will likely result", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "will pursue", "will achieve", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial condition, results of operations and business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts.

These forward-looking statements and any other projections contained in this Placement Document (whether made by our Company or any third party) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections.

Important risk factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

- There is no assurance that the Composite Scheme of Arrangement will be completed in a timely manner or at all.
- The Composite Scheme of Arrangement is not yet effective and there are limitations on the information relating to the Amalgamating Group disclosed in this Placement Document.
- Assuming the completion of the Composite Scheme of Arrangement, if we are unable to successfully integrate the Amalgamating Group to our business and realize the anticipated benefits of the Composite Scheme of Arrangement, our business, results of operations, financial condition and cash flows may be adversely affected.
- There is an oppression and mismanagement case filed against our Promoters in relation to a company forming part of our Promoter Group.
- We derive a significant portion of our revenue from operations from our top 20 customers, with our top five customers contributing 11.15% revenue from operations in Fiscal 2024. Loss of one or more of these customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows.

Additional factors that could cause our actual results, performance or achievements to differ include but are not limited to, those discussed in "*Risk Factors*", "*Our Business*", *"Industry Overview"* and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 41, 154, 134 and 85, respectively.

By their nature, certain of the market risk disclosures are only estimates and could be materially different from what occurs in the future. As a result, actual future gains, losses or impact on revenue or income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

The forward-looking statements contained in this Placement Document are based on the beliefs of the management, as well as the assumptions made by and information currently available to the management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and neither we, the BRLMs nor any of their affiliates undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or cash flows or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. All our Directors, Key Managerial Personnel and member of the senior management named in this Placement Document, are residents of India and a significant portion of the assets of our Company are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce against them judgments of courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A, respectively, of the Code of Civil Procedure, 1908, as amended ("**Civil Procedure Code**"). Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except:

1. where the judgment has not been pronounced by a court of competent jurisdiction;

2. where the judgment has not been given on the merits of the case;

3. where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;

4. where the proceedings in which the judgment was obtained were opposed to natural justice;

5. where the judgment has been obtained by fraud; and

6. where the judgment sustains a claim founded on a breach of any law then in force in India.

A foreign judgment which is conclusive under Section 13 of the Civil Procedure Code may be enforced either by a fresh suit upon the judgment or by proceedings in execution. Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record, but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

The following territories have been declared to be reciprocating territories within the meaning of Section 44A of the Civil Code by the Government: the United Kingdom; Aden; Fiji; Republic of Singapore; Federation of Malaysia; Trinidad and Tobago; New Zealand, the Cook Islands (including Niue) and the Trust Territories of Western Samoa; Hong Kong; Papua New Guinea; Bangladesh; and United Arab Emirates. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws. It is unlikely that an Indian court would enforce foreign judgments that would be contrary to or in violation of Indian law. Our

Company and the Book Running Lead Managers cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information, for the period indicated with respect to the exchange rates between the Rupee and other foreign currencies, for the periods indicated. The exchange rates are based on the reference rates released by the RBI and Financial Benchmark India Private Limited ("**FBIL**"), which are available on the website of the RBI and FBIL. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

(₹ per US$)

	Period end(1)	Average(2)	High(3)	Low(4)
Fiscal ended:				
March 31, 2024	83.37	82.79	83.40	81.65
March 31, 2023	82.22	80.51	83.20	76.09
March 31, 2022	75.81	74.51	76.92	72.48
Month ended				
May 31, 2024	83.30	83.39	83.52	83.08
April 30, 2024	83.52	83.41	83.52	83.23
March 31, 2024	83.37	83.00	83.37	82.68
February 29, 2024	82.92	82.96	83.09	82.84
January 31, 2024	83.08	83.12	83.33	82.85
December 31, 2023	83.12	83.28	83.40	83.02

(Source: www.rbi.org.in and www.fbil.org.in)

Note:

- *If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed.*
- *High, low and average are based on the RBI reference rates and rounded off to two decimal places.*

DEFINITIONS AND ABBREVIATIONS

This Placement Document uses the definitions and abbreviations set forth below which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Placement Document shall have the meaning as defined hereunder. Further, any references to any statute, rules, guidelines, regulations, agreement, document or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act, or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the section "*Industry Overview*", "*Taxation*", "*Legal Proceedings*" and "*Financial Information*" on pages 134, 212, 223 and 242, respectively, shall have the meaning given to such terms in such sections.

General Terms

Term	Description
Our Company / the Company / the Issuer	Allcargo Gati Limited, a company incorporated in India under the Companies Act, 1956
the Group / us / we / our	Allcargo Gati Limited together with its Subsidiaries and its Associate on a consolidated basis, unless otherwise specified or the context otherwise requires

Company Related Terms

Term	Description
Articles/ Articles of Association/ AoA	The articles of association of our Company, as amended from time to time
Allcargo Group	Allcargo Logistics Limited, Allcargo Supply Chain Private Limited, our Company, Gati Express & Supply Chain Private Limited, Allcargo ECU Limited, Allcargo Terminals Limited, Transindia Real Estate Limited and ECU Worldwide N.V.
Amalgamating Group	Our Company, Gati Express & Supply Chain Private Limited, Allcargo Logistics Limited and Allcargo Supply Chain Private Limited shall collectively be referred to as the amalgamating group
Associate	Our associate company as on the date of this Placement Document, is Gati Ship Limited
Audit Committee	The audit committee of our Company, as disclosed in *"Board of Directors and Senior Management"* beginning on page 162
Audited Consolidated Financial Statements	The audited consolidated financial statements of our Company and our Subsidiaries and associate company as at and for each of the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 prepared in accordance with Ind AS, which comprises the consolidated statement of assets and liabilities, each of the consolidated statement of profit and loss, including other comprehensive income, the consolidated statement of cash flows and the statement of changes in equity, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information read along with the report thereon, as prescribed under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
Auditors or Statutory Auditors	The current statutory auditors of our Company, M/s. S.R. Batliboi & Associates LLP, Chartered Accountants
Aviral Report	The report titled *"Indian Express Logistics Industry"* dated June, 2024 prepared by Aviral Consulting Private Limited
Board of Directors / Board	The board of directors of our Company or a duly constituted committee thereof
Chairman	The chairman of our Company being Shashi Kiran Shetty
Chief Financial Officer	The chief financial officer of our Company being Anish T Mathew
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, namely Thiruvellur Shanthavadhan Maharani
Composite Scheme of Arrangement	The Board of our Company, on the recommendation of the Audit Committee and Independent Directors, in its meeting held on December 21, 2023 approved the composite scheme of arrangement for restructuring of businesses 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)

Term	Description
	Rules, 2016, as amended from time to time; (b) applicable regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
Corporate Office	The corporate office of our Company located at Western Pearl, 4th Floor, Survey No. 13(p), Kondapur, Rangareddi, Hyderabad 500 084, Telangana, India
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Company, as disclosed in *"Board of Directors and Senior Management"* beginning on page 162
Director(s)	Director(s) on the Board of our Company, unless otherwise specified
Erstwhile statutory auditors	The erstwhile statutory auditors of our Company, namely, Singhi & Co., Chartered Accountants
Equity Shares	The equity Shares of our Company of face value of ₹ 2 each
ESOS-2001	Employee Stock Options Scheme – 2001 of our Company
ESOS Plan-I	Employee Stock Options Scheme Plan I of our Company
ESOS Plan-II	Employee Stock Options Scheme Plan II of our Company
ESOS-2003	Employee Stock Options Scheme 2003 of our Company
ESOS Plan-VI	Employee Stock Options Scheme Plan VI of our Company
ESOS Plan-10	Employee Stock Options Scheme Plan 10 of our Company
ESOS Plan-11	Employee Stock Options Scheme Plan 11 of our Company
ESOS Plan-12	Employee Stock Options Scheme Plan 12 of our Company
ESOS Plan-13	Employee Stock Options Scheme Plan 13 of our Company
ESAR	Employee Stock Appreciation Rights Plan of our Company
ESAR-2021	Employee Stock Appreciation Rights Plan 2021 of our Company
Executive Director(s)	The executive director of our Company, namely, Shashi Kiran Shetty
GIETL	Gati Import Export Trading Limited
Independent Director(s)	The independent director(s) of our Company, namely, Nilesh Shivji Vikamsey, Hetal Madhukant Gandhi, Dinesh Kumar Lal and Vinita Dang Mohoni
Key Managerial Personnel / KMP(s)	Key managerial personnel of our Company in terms of Section 2(51) of the Companies Act, as disclosed in "*Board of Directors and Senior Management*" on page 162
Managing Director	The managing director of our Company, being Shashi Kiran Shetty
Material Subsidiary or GESCPL	The material subsidiary of our Company, namely, Gati Express & Supply Chain Private Limited
Materiality Threshold	Materiality threshold adopted by our Company in relation to the disclosure of outstanding civil and tax litigation, involving our Company and its Subsidiaries, where the amount involved is ₹0.35 crores (being 5% of the average of the absolute value of profit or loss after tax, as per our Audited Consolidated Financial Statements for the last three years
Memorandum of Association / Memorandum / MoA	The memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, as disclosed in *"Board of Directors and Senior Management"* beginning on page 162
Non-Executive Director	Non-executive non-independent director of our Company. For details, see *"Board of Directors and Senior Management*" on page 162
Promoter(s)	The Promoters of our Company, namely, Allcargo Logistics Limited and Mahendra Kumar Agarwal *(pending re-classification to public shareholder category)*
Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered Office	The registered office of our Company is located at 4th Floor, B Wing, Allcargo House, CST Road, Kalina, Vidyanagari, Santacruz (East), Mumbai 400 098, Maharashtra, India
Registrar of Companies / RoC	The Registrar of Companies, Maharashtra at Mumbai
Risk Management Committee	The risk management committee of our Company, as disclosed in *"Board of Directors and Senior Management"* beginning on page 162
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
Senior Management	Members of the senior management of our Company as determined in accordance with the Regulation 2(1)(bbbb) of the SEBI ICDR Regulations. For details, see *"Board of Directors and Senior Management"* on page 162
Shareholders	The holder(s) of Equity Shares from time to time, unless otherwise specified in the context thereof
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Company, as disclosed in *"Board of Directors and Senior Management"* beginning on page 162
Subsidiaries	The subsidiaries of our Company, as on the date of this Placement Document, namely:

Term	Description
	(a) Gati Express & Supply Chain Private Limited; (b) Gati Logistics Parks Private Limited; (c) Gati Import Export Trading Limited; (d) Gati Projects Private Limited; and (e) Zen Cargo Movers Private Limited

Issue Related Terms

Term	Description
Allocated/ Allocation	The allocation of Equity Shares following the determination of the Issue Price to investors on the basis of Application Forms submitted by them, in consultation with the BRLMs and in compliance with Chapter VI of the SEBI ICDR Regulations
Allot/ Allotment/ Allotted	The issue and allotment of Equity Shares pursuant to this Issue
Allottee(s)	Bidders who are Allotted Equity Shares of our Company pursuant to this Issue
Application Form	The form (including any revisions thereof) pursuant to which a Bidder indicates its interest to subscribe for the Equity Shares of our Company pursuant to the Issue
Bid(s)	An indication of interest by an Eligible QIB, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares to be issued pursuant to this Issue. The term "Bidding" shall be construed accordingly.
Bid Amount	The price per Equity Share indicated in the Bid multiplied by the number of Equity Shares Bid for by a Bidder and payable by the Bidder in the Issue on submission of the Application Form
Bidder(s)	Any prospective investor, being an Eligible QIB who makes a Bid pursuant to the terms of this Placement Document and the Application Form
Bidding Period/ Issue Period	The period between the Issue Opening Date and Issue Closing Date, inclusive of both dates, during which Bidders can submit their Bids including any revision and/or modifications thereof
Book Running Lead Managers/ BRLMs	Nuvama Wealth Management Limited (*Formerly known as Edelweiss Securities Limited*) and Equirus Capital Private Limited *(pursuant to section 174 (2) of SEBI ICDR Regulations, Equirus Capital Private Limited is an associate of the Company and its role shall be limited to only marketing of the Issue)*
CAN/ Confirmation of Allocation Note	Note or advice or intimation to Bidders confirming the Allocation of Equity Shares to such Eligible QIBs after determination of the Issue Price, and requesting payment for the entire applicable Issue Price for all the Equity Shares Allocated to such Eligible QIBs
Closing Date	The date on which the Allotment of the Equity Shares offered pursuant to this Issue shall be made, i.e., on or about June 27,, 2024
Cut-off Price	The Issue Price of the Equity Shares to be issued pursuant to the Issue which shall be finalised by our Company in consultation with the BRLMs
Designated Date	The date of credit of Equity Shares pursuant to the Issue to the Allottees' demat accounts, as applicable to the relevant Allottees
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable law, other than individuals, corporate bodies and family offices
Eligible QIBs	QIBs as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under applicable law. In addition, Eligible QIBs are QIBs who are outside the United States, to whom Equity Shares are being offered in "offshore transactions" as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers, and sales are made.
Escrow Account	The account titled "Allcargo Gati Limited - QIP Escrow Account 2024" to be opened with the Escrow Bank, subject to the terms of the Escrow Agreement, into which the application monies payable by Bidders in connection with subscription to Equity Shares pursuant to the Issue shall be deposited
Escrow Bank	Axis Bank Limited
Escrow Agreement	The escrow agreement dated June 20, 2024 entered into amongst our Company, the Escrow Bank and the BRLMs for collection of the Bid Amounts and remitting refunds, if any, of the amounts collected, to the Bidders in relation to the issue
Fund Raise Committee	The fund raise committee of our Board constituted pursuant to the circular resolution passed by our Board on March 30, 2024, to facilitate the Issue

Term	Description
Floor Price	The floor price ₹ 106.07 per Equity Share, which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company has offered a discount of 4.78% amounting to ₹ 5.07 on the floor price in accordance with a special resolution passed by the Shareholders by way of postal ballot on February 5, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Gross Proceeds	The gross proceeds from the Issue aggregating to ₹ 169.28 crores
Issue	The offer, issue and Allotment of 1,67,60,800 Equity Shares each at a price of ₹ 101.00 per Equity Share, including a premium of ₹ 99.00 per Equity Share, aggregating ₹ 169.28 crores pursuant to Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	June 27, 2024, the last date up to which the Application Forms and the Bid Amount shall be accepted by our Company (or the BRLMs, on behalf of our Company)
Issue Opening Date	June 24, 2024, the date on which the acceptance of the Application Forms and the Bid Amount shall have commenced by our Company (or the BRLMs, on behalf of our Company)
Issue Price	A price per Equity Share of ₹ 101.00
Issue Size	The aggregate size of the Issue, up to 1,67,60,800 Equity Shares aggregating up to ₹ 169.28 crores
Monitoring Agency	ICRA Limited
Monitoring Agency Agreement	Agreement dated June 14, 2024, entered into by and between our Company and the Monitoring Agency in relation to the responsibilities and obligations of the Monitoring Agency for monitoring the utilisation of the net proceeds of the Issue, after deducting fees, commissions and expenses of the Issue
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Mutual Fund Portion	10% of the Equity Shares proposed to be Allotted in the Issue, which is available for Allocation to Mutual Funds
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Pay-In Date	Last date specified in the CAN for the payment of application monies by Bidders in the Issue
Placement Agreement	The placement agreement dated June 24, 2024 entered between our Company and the BRLMs
Placement Document	This placement document dated June 27, 2024to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder
Preliminary Placement Document	The preliminary placement document dated June 24, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder
QIBs/ Qualified Institutional Buyers	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement, being a private placement to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and applicable sections of the Companies Act, 2013, read with applicable provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Bid Amount submitted by such Bidder pursuant to the Issue
Relevant Date	June 24, 2024 which is the date of the meeting wherein the Board of Directors, or a duly authorised committee, decides to open the Issue
Swap Ratio	As per the composite scheme of arrangement, of which our Company is a party to, in relation to the proposed merger of our Company into Allcargo Logistics Limited *(post demerger of the international supply chain business)*, Allcargo Logistics Limited will issue new equity shares to the shareholders of our Company in the ratio of 63 equity shares of Allcargo Logistics Limited of ₹2 each fully paid up , for every 10 equity shares of our Company of face value ₹2 each fully paid-up.
Stock Exchanges	Together, BSE and NSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount along with the Application Form and who will be Allocated Equity Shares pursuant to the Issue

Term	Description
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

Conventional and General Terms/Abbreviations

Term	Description
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate identity number
Civil Code	The Indian Code of Civil Procedure, 1908
Companies Act/ Companies Act, 2013	The Companies Act, 2013, along with the relevant rules made and clarifications issued thereunder
Companies Act, 1956	The Companies Act, 1956 along with the relevant rules issued thereunder
Competition Act	The Competition Act, 2002
Consolidated FDI Policy	The consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
CSR	Corporate Social Responsibility
CY	Calendar year
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India
DIN	Director Identification Number
EBITDA	EBITDA is calculated as net profit after tax, plus finance cost, depreciation, amortization and impairment expenses and tax expenses, and less other income
EBITDA Margin	EBITDA divided by revenue from operations
EGM	Extraordinary general meeting
FBIL	Financial Benchmark India Private Limited
FDI	Foreign Direct Investment
FDI Policy	Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade (Formerly Department of Industrial Policy and Promotion), Ministry of Commerce and Industry, GoI by circular DPIIT file number 5(2)/2020-FDI Policy, with effect from October 15, 2020
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FIR	First information report
Financial Year / Fiscal Year/ Fiscal/ FY	A period of 12 months ending March 31, unless otherwise stated
Form PAS-4	Form PAS-4 prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPI/ Foreign Portfolio Investor(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GAAP	Generally accepted accounting principles
GAAR	General Anti-Avoidance Rules
GDP	Gross domestic product
GoI/ Government	Government of India
GST	Goods and Services Tax
IAS Rules	The Companies (Indian Accounting Standards) Rules, 2015, as amended

Term	Description
ICAI	The Institute of Chartered Accountants of India
Ind AS	Indian accounting standards as notified by the MCA pursuant to Section 133 of the Companies Act read with the IAS Rules
Income-tax Act/IT Act	The Income-tax Act, 1961
Ltd.	Limited
MCA	Ministry of Corporate Affairs
Net worth	Paid up share capital plus all reserves and surplus (excluding revaluation reserves)
Non-Resident Indian(s)/ NRI	Non-Resident Indian, as defined under Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
P.A./ p.a.	Per annum
PAN	Permanent account number
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014
PAT	Profit after tax / profit for the respective period / year
PBT	Profit before tax
P-Notes	Offshore derivative instruments, by whatever name called, which are issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India or unlisted debt securities or securitized debt instruments, as its underlying
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
ROCE	Return on capital employed
Rs. / Rupees / Indian Rupees	The legal currency of India
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S. GAAP	Generally accepted accounting principles in the United States of America
U.S.$ / USD / U.S. dollar	United States Dollar, the legal currency of the United States of America
U.S. Securities Act	United States Securities Act of 1933, as amended
USA/ U.S./ United States	The United States of America
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
VRS	Voluntary Retirement Scheme
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations

Technical and Industry Terms

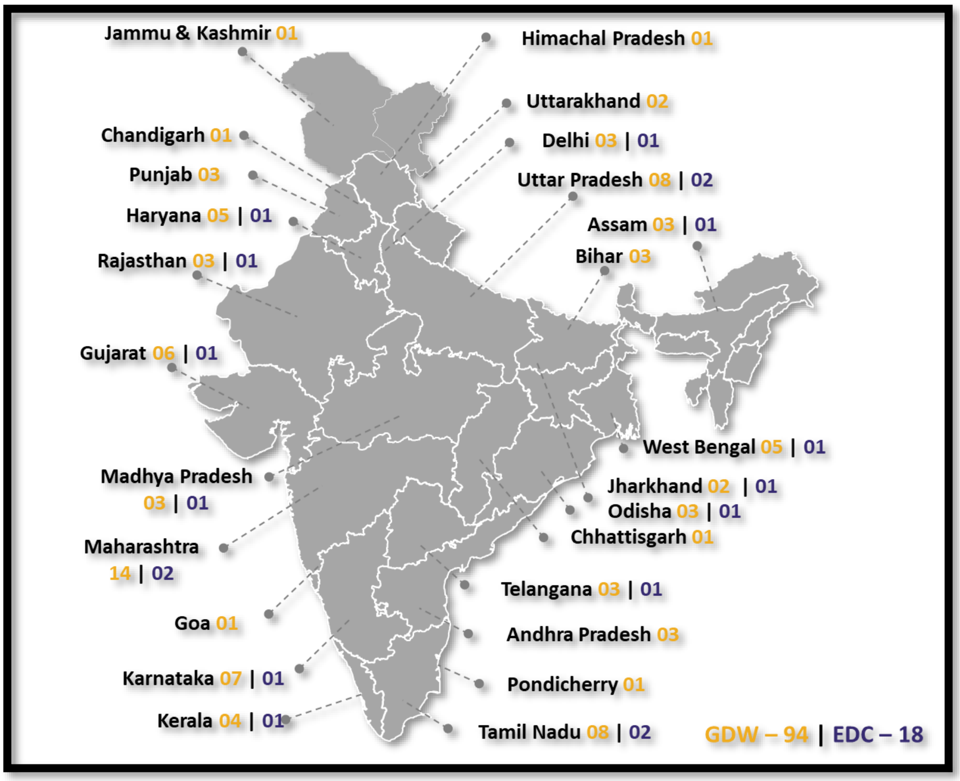
Term	Description
AI	Artificial Intelligence
API	Application program interface
CFS	Container Freight Station
EDC	Express distribution centres
ESG	Environment, Social and Governance
FCL	Full container load
GDW	Gati distribution warehouses
GEMS 2.0	Gati Enterprise Management System 2.0

Term	Description
ICD	Inland Container Depot
kt	Shall mean ‘000 metric ton or 10,00,000 kilograms
LCL	Less than container load
OCR	Optical character recognition
Operating Units	Surface Transit Centres (STC), Air Transit Centres (ATC), Express Distribution Centres (EDC), Gati Distribution Warehouse (GDW), Customer Convenience Centres - Owned (CCCO), Customer Convenience Centres - Franchise (CCCF)

SUMMARY OF BUSINESS

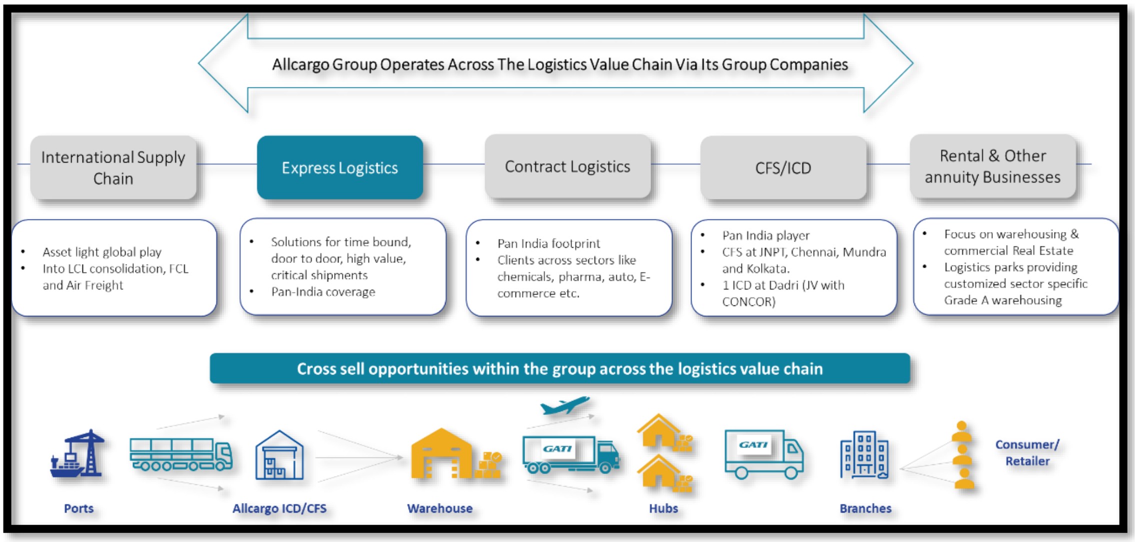
Our Company was incorporated in 1995 and is one of India's oldest and leading express logistics players based on Aviral Report. We are engaged in the business of providing logistics solutions to our clients including express distribution which includes surface distribution and air freight and supply chain management solutions. We have built a pan-India network to carry out our operations covering 99% of districts and government approved pin codes.

We operate a total of 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 as of April 30, 2024 as presented below –



Additionally, we are in the process of upgrading the infrastructure capabilities by setting up new Operating Units and upgrading the infrastructure of the existing Operating Units. Under phase one of this infrastructure upgradation we have set-up six major surface transit centres (Operating Units) which are now operational and under phase two, we propose to upgrade more such major Operating Units. The six new Operating Units are at Farukh Nagar, Nagpur, Mumbai, Indore, Guwahati and Bangalore.

Our Company is part of the Allcargo group of companies ("**Allcargo Group**") which is a logistics conglomerate providing services like less than container load consolidation, full container load, air freight, contract logistics, container freight stations, inland container depots and logistics parks. The chart provided below is a representation of the range of services provided by the Allcargo Group.



Our express distribution services consists of surface express logistics and air express logistics. Our surface express distribution is carried out through a technology enabled tracking system and a network of approximately 5,000 trucks contracted by us to endeavor on-time deliveries as of April 30, 2024. We provide air express distribution across cities of India through our direct tie-ups with few of the major commercial airlines in India. Our express distribution services are customizable as per the customer's requirement.

Our supply chain management solutions provide able management of customers' supply chain. We also provide inventory and purchase order management. Our supply chain management services are customizable as per the requirements of the customer. As on the date of this Placement Document, our Company also owns and operates fuel stations and the revenue from operations in Fiscal 2023 from our fuel station business was ₹ 254.44 crores. However, as part of our corporate strategy of divesting the non-core assets, we have initiated the divestment of these fuel stations which is currently pending approval from oil management companies.

We maintain a long-standing relationship with our clients with engagements ranging up to a decade. Our clients include companies in the automotive industry, pharmaceutical industry, retail/textile industry and e-commerce.

The following table provides a snapshot of our key financial and operational metrics as of and for the respective periods indicated below:

Particulars	**As of and for the Fiscal ended March 31,**		
	2024	**2023**	**2022**
Revenue from operations from express distribution services *(in ₹ crores)*[*]	1,413.44	1,418.95	1,219.52
Revenue from operations express distribution services *(as a % of total revenue from operations)*	83.24	82.35	81.85
Revenue from operations from supply chain management solutions *(in ₹ crores)*[**]	60.89	46.97	39.77
Revenue from supply chain management solutions *(as a % of total revenue from operations)*	3.59	2.73	2.67
Gross profit *(in ₹ crores)*	368.35	415.83	340.83
EBITDA *(in ₹ crores)*	63.41	92.91	49.69
Profit/(Loss) before Exceptional Items and Tax *(in ₹ crores)*	(35.55)	4.34	(12.55)
Express volume *(in kt)*	1,226. 83	1,133.18	972.79
Express volume growth (%)	8.26	16.49	21.67
Delivered in full and on time (%)[***]	89.26	90.17	75.90
Pick-up in full and on time (%)[***]	99.76	97.17	95.66
Cost per kilogram *(₹)*	9.54	9.98	10.05

[*] *Revenue from express distribution services is total segment revenue given in consolidated financial statement of our Company minus Revenue from supply chain management solutions services as taken above*
[**] *Revenue from supply chain management solutions services is taken from financial statement of GESCPL.*
[***] *Data is for the month of March, for respective fiscal years*

ACQUISITION OF OUR COMPANY

Our Company was incorporated in 1995 and has completed over three decades as one of India's oldest and leading express logistics company *(Source: Aviral Report)*. Our Company (*erstwhile Gati Limited*) was acquired by Allcargo Logistics Limited with an initial stake of 46.86% in Fiscal 2020 which was further increased to 50.20% in Fiscal 2022 through a mix of primary and secondary purchase of Equity Shares (the "**Acquisition**"). Prior to the Acquisition, during Fiscal 2016 to Fiscal 2020, our Company reported revenue CAGR of 0.66% and EBITDA CAGR of (23.87%) on consolidation basis. Since the Acquisition, the Board has taken several measures to facilitate the growth of our Company.

One of the key changes post the Acquisition for realigning the business was to focus on the divestment of non-core businesses and disposal of non-core assets. Accordingly, our Company exited the non-core businesses such as the cold chain business of our Subsidiary, namely Gati Kausar India Limited and have also initiated the divestment of our fuel station business, which is currently pending approval from oil management companies. Further, in line with our asset-light model we have also sold-off certain non-core assets such as fleet, land and building. The proceeds from the sale of the non-core assets were utilized for reducing debt and clearing contingent liabilities. Post the Acquisition, our Company has significantly improved its financial position, reducing net debt on a consolidated basis from ₹395.00 crores in Fiscal 2020 to a cash-positive position of ₹31.14 crores in Fiscal 2024.

BUSINESS OPERATIONS

We are engaged in the business of providing logistics solutions to our clients including express distribution which includes surface distribution and air freight and supply chain management solutions. Our business is based on an asset-light model which has enabled us to utilize our capital towards improving our Operating Units and providing customizable logistical solutions to our clients.

Express distribution

Our express distribution services consist of surface express logistics and air express logistics. Our surface express distribution is carried out through a technology enabled tracking system and a network of approximately 5,000 trucks as of April 30, 2024 were contracted by us to endeavour on-time deliveries. We have built a pan-India network to carry out our express logistics operations covering 99% of districts and government approved pin codes through our 657 offices in India as of April 30, 2024 *(Source: Aviral Report)*. We operate a total of 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 as of April 30, 2024.

We provide air express distribution across cities of India through our direct tie-ups with few of the major commercial airlines in India. Our express distribution services are customisable as per the customer's requirement.

For instance, for one of our clients who wanted to explore eco-friendly logistics solution, we customised a sustainable and eco-friendly express distribution solution which included pick-ups using greener vehicles and local delivery done partly through electronic vehicles.

Supply chain management solutions

Our supply chain management solutions provide management of customers' supply chain through our technology enabled fulfilment centres. We also provide inventory and purchase order management. Our supply chain management services are customizable as per the requirements of the customer.

For instance, we have in the past assisted an Indian corporate by offering customised technological solution for improving inventory management and service levels and was done by assigning a dedicated team by us for the client. The services provided by us included (i) an API rollout to integrate the systems of the client, (ii) providing in-plant support and key responsibility area tracking to improve service levels, (iii) providing dedicated customer service, and (iv) setting up thermal printers for label printing and hand-held terminals for scanning of dockets.

COMPETITIVE STRENGTHS

Integrated portfolio of end-to-end express and supply-chain solutions offered through a pan-India network

Our integrated multi-modal transportation network comprising surface and air transportation, helps to ensure timely deliveries across India. We have built a pan-India network to carry out our operations covering 99% of districts and government approved pin codes *(Source: Aviral Report)*. We carry out our operations through our 657 offices in India as of April 30, 2024. Our pan-India warehousing facilities also play a crucial role in offering customized supply chain solutions to customers across various industries.

As of April 30, 2024, our distribution centres are spread across India with an area covered of approximately 3.85 million sq. ft. Our supply chain network in India consists of 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).

As a part of our express logistics service, we provide our customers with both first mile and last mile assistance through our owned customer convenience centers (CCCOs), Gati distribution warehouses (GDWs) and franchisee convenience centers (CCCFs).

Our business development and solutions design functions are dedicated to, and specialize in, designing customized integrated logistics solutions for our clients, which we believe have helped improve service levels and scalability of our clients' supply chain. This, along with a combination of our pan-India logistics and transportation network and diversified service portfolio, has made it possible for us to attract and retain clients across various industries. We maintain a long-standing relationship with our clients with engagements ranging over a decade. Our clients include companies in the automotive industry, pharmaceutical industry, retail/textile industry and e-commerce.

An asset-light business model providing scalability and capital efficiency

Our express logistics and supply chain business is primarily based on an asset-light business model wherein majority of our assets have been leased from third parties including our Operating Units and even the trucks used by us. Having an asset-light model has enabled us to offer a variety of flexible, scalable, solutions and services based on our clients' requirements and efficiently handle operational difficulties. As on the date of this Placement Document, we do own certain non-core assets such as fuel stations, which we are in the process of divesting.

This business model also allows us to manage any fluctuations in demand more efficiently and minimize any adverse effects resulting from cyclical movements as the shipments are managed through third party network partners and the requirement of warehouses and trucks can be adjusted based on the demand. Over the years we have built long-standing relationships with our business partners who provide us with the operating assets required for our business with some of the engagements ranging approximately to a decade. We believe that the flexibility created by having an asset light model enables us to serve the requirements of customers from various industries.

Presence across various industries with long-standing client relationships

We provide our services to clients across various industry sectors such as automotive, pharmaceuticals, textile and e-commerce. We maintain a long-standing relationship with our clients with engagements ranging approximately to a decade. We believe that our execution capabilities and service quality standards has resulted in lasting engagements with our key clients.

Experienced management team with strong domain expertise

We have an experienced and qualified Board, key managerial personnel and senior management team, which has fostered a culture of innovation, entrepreneurship and teamwork. A majority of our Board, key managerial personnel and senior management have experience across diverse industries, including logistics and supply chain management. For further details, see "*Board of Directors and Senior Management"* on page 162.

In addition to experience in the transportation and logistics industry, several members of our Board, key managerial personnel and senior management team have backgrounds in a variety of disciplines such as finance, legal, operations, marketing and consulting. We believe that our management team's comprehensive industry experience and diverse expertise assists us with detailed planning and management of our operations, effective quality control, implementation of our growth strategies and allows us to take advantage of current and future market opportunities. This has also helped us understand the requirements and preferences of, and develop strong relationships with, our clients as well as develop our large pan-India network of business partners. We also believe that this has contributed to the development of our brand over the years. The growth in our business and financial performance in the last few years demonstrates the effectiveness of our management team.

Part of the Allcargo Group

Our Company is a part of the Allcargo Group which has an experience of over three decades and operates across the logistics value chain through its group of companies. Our Company was acquired by Allcargo Logistics in Fiscal 2020. The Allcargo Group provides a range of services, as enumerated below:

- International supply chain following an asset light model including services such as LCL, FCL and air freight;
- Express logistics services across India with clients across sectors such as automotive and e-commerce industry;
- Contract logistics across India with clients across sectors such as pharmaceuticals, automotive and e-commerce;
- Pan-India player for Container Freight Station ("**CFS**") and Inland Container Depot ("**ICDs**"); and
- Rental and other annuity businesses with a focus on warehousing and commercial real estate and logistics park providing sector specific Grade A warehousing.

Being a part of the Allcargo Group provides us with cross selling opportunities within the Allcargo Group for the services provided by our Company.

BUSINESS STRATEGY

Investments in network infrastructure and streamlining operations

We intend to expand our network infrastructure and capacity for our surface express distribution. We are also in the process of upgrading our Operating Units by making them highly automated with limited human intervention. As of April 30, 2024, we have 657 Operating Units. We are in the process of expanding our infrastructure capabilities by setting up new Operating Units and upgrading the infrastructure of the existing Operating Units. Under phase one of this infrastructure upgradation we have set-up six major Surface Transit Centres (Operating Units) which are now operational and under phase two, we proposes to upgrade more such major Operating Units. The six new Operating Units are at Farukh Nagar, Nagpur, Mumbai, Indore, Guwahati and Bangalore.

The infrastructural upgrades implemented so far at our Operating Units have assisted in reducing the operational difficulties and thereby reducing the overall turnaround time. We believe that both of these parameters are key to attract and retain customers in express logistics. Further, we believe that the strategic location of the new Operating Units will assist us in having a better connectivity. The infrastructure upgradation undertaken so far and the improvement in operations have enabled better linehaul utilization and reduction in cost per kilogram. The new Operating Units will have cross docking with increased bays along with dock levellers which will assist in reducing the time required for loading and unloading of goods.

For instance, at our Bengaluru hub, we have increased the overall space and increased the number of bays for vehicles which has resulted in a reduced loading time leading to operational efficiencies.

Enhancements of our technology and digitization of our processes

We believe that our technological capabilities play a key role in helping us effectively manage our pan-India operations, maintain operational and fiscal controls, and support our efforts to enhance client service levels. We intend to continue our focus on automation of our operations for improving overall customer experience.

As part of our initiative towards complete automation of our business we will be automating our pick-up and delivery operations by way of pickup registration, real time printing of labels, OCR based invoice reading and volumetric weight calculation. We have also initiated the automation of our Operating Units through software for management of the dock and workforce and smart loading basis the route / vehicle. We also intend to have a network decision support system in place for centralized control centre, bay management and real time hub or network performance. We believe that all these measures will enable us to reduce the overall turnaround time.

In order to enhance the experience of the customers we have initiated upgradation of our core operating system by partnering with a technology company. This new technology, being GEMS 2.0, will integrate various frontend and backend functionalities such as CRM, finance and other management tools by providing a one click view for performance analysis. GEMS 2.0 is being designed to provide an integrated pick-up and delivery system with functionalities such as data capture from e-waybill site, auto docket creation, delivery route planning and auto run-sheet generation. GEMS 2.0 will also assist us in the lane wise recommendation of pricing based on last three months cost, industry specific pricing and faster retail customer onboarding. We intend to use GEMS 2.0 for mid mile planning such as network and route planning, truck loading plan and proactive manpower and resource planning per vehicle, load planning and cross docking. We intend to utilise the Issue proceeds towards developing GEMS 2.0 and for further details see "*Use of Proceeds*" on page 70.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including the sections "*Risk Factors*", "*Use of Proceeds*", "*Placement and Lock-up*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 41, 70, 193, 179 and 209, respectively.

Issuer	Allcargo Gati Limited
Face value	₹ 2 per Equity Share
Issue Price	₹ 101.00 per Equity Share (including a premium of ₹ 99.00 per Equity Share)
Floor Price	₹ 106.07 per Equity Share, calculated on the basis of Regulation 176 of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. However, our Company has offered a discount of 4.78% amounting to ₹ 5.07 on the Floor Price in accordance with the approval of the Shareholders accorded by way of a special resolution passed through postal ballot dated February 5, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Size	Issue of 1,67,60,800 Equity Shares, aggregating up to ₹ 169.28 crores, including a premium of ₹ 99.00 each. A minimum of 10% of the Issue Size, i.e., at least 16,76,080 Equity Shares shall be available for Allocation to Mutual Funds only and the balance 1,50,84,720 Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation only to Mutual Funds, such undersubscribed portion may be Allotted to other Eligible QIBs.
Date of Board resolution authorizing the Issue	December 21, 2023
Date of Shareholders' resolution authorizing the Issue	February 5, 2024
Dividend	See "*Description of Equity Shares*" and "*Dividends*" on pages 209 and 84.
Eligible Investors	Eligible QIBs, to whom the Preliminary Placement Document, this Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue. For further details, see "*Issue Procedure*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 179, 195 and 204, respectively. The list of Eligible QIBs to whom the Preliminary Placement Document, this Placement Document and Application Form is delivered has been determined by our Company in consultation with the BRLMs.
Equity Shares issued and outstanding immediately prior to the Issue	13,02,55,164 Equity Shares
Equity Shares issued and outstanding immediately after the Issue	14,70,15,964 Equity Shares
Issue procedure	This Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act and Chapter VI of the SEBI ICDR Regulations. For further details, see "*Issue Procedure*" on page 179.
Listing and trading	Our Company has obtained in-principle approvals from the BSE and the NSE each on June 24, 2024 under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue. Our Company will make applications to each of the Stock Exchanges after Allotment and credit of Equity Shares to the beneficiary account with the Depository Participant to obtain final listing and trading approval for the Equity Shares, to be issued pursuant to this Issue.
Lock-up	For details of the lock-up, see "*Placement and Lock-up*" on page 193.
Transferability restrictions	The Equity Shares Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange. Allotments made to VCFs and AIFs in the Issue are subject

<table>
<tr><td></td><td colspan="2">to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. See “Issue Procedure”, “Selling Restrictions” and “Purchaser Representations and Transfer Restrictions” on pages 179, 195 and 204, respectively.</td></tr>
<tr><td>Use of proceeds</td><td colspan="2">The gross proceeds from the Issue will be aggregating to approximately ₹ 169.28 crores. The Net Proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, is expected to be approximately ₹ 161.12 crores.

See “Use of Proceeds” on page 70 for information regarding the use of Net Proceeds from the Issue.</td></tr>
<tr><td>Risk factors</td><td colspan="2">See “Risk Factors” on page 41 for a discussion of risks you should consider before investing in the Equity Shares.</td></tr>
<tr><td>Indian taxation</td><td colspan="2">For the statement of possible tax benefits available to our Company and its Shareholders under the applicable laws in India, see “Taxation” on page 212.</td></tr>
<tr><td>Closing Date</td><td colspan="2">The Allotment of the Equity Shares is expected to be made on or about June 27, 2024.</td></tr>
<tr><td>Ranking and dividends</td><td colspan="2">The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank pari passu with the existing Equity Shares of our Company, including rights in respect of dividends.

The Shareholders who hold Equity Shares as on the relevant record date will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in shareholders’ meetings in accordance with the provisions of the Companies Act. Please see “Dividends” and “Description of the Equity Shares” on pages 84 and 209, respectively.</td></tr>
<tr><td>Swap Ratio</td><td colspan="2">As per the composite scheme of arrangement, of which our Company is a party to, in relation to the proposed merger of our Company into Allcargo Logistics Limited (post demerger of the international supply chain business), Allcargo Logistics Limited will issue new equity shares to the shareholders of our Company in the ratio of 63 equity shares of Allcargo Logistics Limited of ₹2 each fully paid up , for every 10 equity shares of our Company of face value ₹2 each fully paid-up.</td></tr>
<tr><td rowspan="3">Security Codes/ Symbols for the Equity Shares</td><td>ISIN</td><td>INE152B01027</td></tr>
<tr><td>BSE Code</td><td>532345</td></tr>
<tr><td>NSE Symbol</td><td>ACLGATI</td></tr>
</table>

SELECTED FINANCIAL INFORMATION

The following tables set forth our selected financial information and should be read together with the applicable financial statements included in the section titled "*Financial Information*" on page 242.

This selected financial information should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Information*", on pages 85 and 242, respectively.

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SUMMARY OF CONSOLIDATED BALANCE SHEET

(₹ in crores)

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
	ASSETS:			
	Non-current Assets			
	Property, Plant and Equipment	64.24	72.62	66.64
	Right-of-Use Asset	221.32	182.78	175.77
	Goodwill	425.80	425.80	425.80
	Other Intangible Assets	2.19	3.33	4.50
	Intangible Assets under development	3.71	0.59	0.59
	Financial Assets			
	Other Financial Assets	15.05	10.47	8.71
	Deferred Tax Assets, net	35.68	26.35	27.81
	Income tax assets, net*	59.10	66.10	71.78
	Other Non-current Assets	5.95	1.60	1.69
		833.04	**789.64**	**783.29**
	Current Assets			
	Inventories	2.15	2.44	2.79
	Financial Assets			
	Investments	-	-	10.11
	Trade Receivables	243.81	266.78	232.33
	Cash and cash equivalents	88.63	18.93	15.81
	Other Bank balances	86.76	77.59	2.36
	Other financial assets	21.53	24.31	17.72
	Other Current Assets	34.06	31.13	33.28
		476.94	**421.18**	**314.40**
	Assets held for sale	13.46	73.88	132.64
		490.40	**495.06**	**447.04**
	TOTAL ASSETS	**1,323.44**	**1,284.70**	**1,230.33**
	EQUITY AND LIABILITIES:			
	Equity			
	Equity Share capital	26.05	26.03	24.59
	Other Equity	609.40	588.64	535.26
	Equity attributable to equity holders of the Company	**635.45**	**614.67**	**559.85**
	Non-Controlling Interest	64.69	73.44	76.86
		700.14	**688.11**	**636.71**
	LIABILITIES			
	Non-current Liabilities:			
	Financial Liabilities			
	Borrowings	-	0.01	8.54
	Lease liabilities	192.84	160.52	140.05
	Other financial liabilities	-	-	0.12
	Provisions	21.67	19.20	15.41
		214.51	**179.73**	**164.12**
	Current Liabilities			
	Financial Liabilities			
	Borrowings	144.25	124.49	143.79
	Lease liabilities	49.00	35.75	31.96
	Trade Payables			
	(a) Total outstanding dues of micro and small enterprises	10.78	11.28	15.70
	(b) Total outstanding dues of creditors other than micro and small enterprises	77.61	83.87	86.06
	Other financial liabilities	96.65	130.84	122.17
	Other current liabilities	19.42	17.42	24.53
	Provisions	11.08	13.21	5.29
		408.79	**416.86**	**429.50**

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
				(₹ in crores)
	Total Liabilities	**623.30**	**596.59**	**593.62**
	TOTAL EQUITY AND LIABILITIES	**1,323.44**	**1284.70**	**1230.33**

* *For March 31, 2023, it pertains to "Tax Assets, net.*

SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in crores, unless otherwise stated)

Sr. No.	Particulars	March 31, 2024	March 31, 2023	March 31, 2022
I	**INCOME**			
	Revenue From operations	1,697.99	1,723.17	1,489.94
	Other Income	11.51	22.87	15.30
	Total Income (I)	**1,709.50**	**1,746.04**	**1,505.24**
II	**EXPENSES**			
	Operating Expenses	1,116.25	1,059.54	926.96
	Purchase of Stock-in-trade	213.10	247.44	221.62
	Changes in inventories of stock-in-trade	0.29	0.36	0.53
	Employee benefit expenses	177.26	188.15	158.05
	Finance costs	30.02	29.36	27.32
	Depreciation and Amortization expense	68.94	59.21	34.92
	Other expenses	139.19	157.64	148.39
	Total expenses (II)	**1,745.05**	**1,741.70**	**1,517.79**
III	**PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)**	**(35.55)**	**4.34**	**(12.55)**
IV	Exceptional items	34.49	0.96	12.05
V	**Profit(loss) before tax (III+IV)**	**(1.06)**	**5.30**	**(0.50)**
VI	**Tax Expenses**			
	Current Tax	2.35	13.13	2.31
	Deferred Tax	(8.95)	3.47	(2.42)
	Tax related to earlier years	(0.58)	(0.39)	4.04
	TOTAL TAX EXPENSES	**(7.18)**	**16.21**	**3.93**
VII	**PROFIT/(LOSS) FOR THE YEAR (V-VI)**	**6.12**	**(10.91)**	**(4.43)**
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	(1.51)	(8.13)	(4.25)
	b) Income tax effect on above items	0.38	2.01	1.05
	OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX)	**(1.13)**	**(6.12)**	**(3.20)**
IX	**Total Comprehensive Income for the year (VII+VIII)**	**4.99**	**(17.03)**	**(7.63)**
X	**Profit/(loss) for the year**	**6.12**	**(10.91)**	**(4.43)**
	Attributable to:			
	Owners of the Company	14.53	(9.28)	8.87
	Non-Controlling Interests	(8.41)	(1.63)	(13.30)
	Other Comprehensive Income for the year:	**(1.13)**	**(6.12)**	**(3.20)**
	Attributable to:			
	Owners of the Company	(0.79)	(4.33)	(2.26)
	Non-Controlling Interests	(0.34)	(1.79)	(0.94)
	Total Comprehensive Income for the year:	**4.99**	**(17.03)**	**(7.63)**
	Attributable to:			
	Owners of the Company	13.74	(13.61)	6.61
	Non-Controlling Interests	(8.75)	(3.42)	(14.24)
	Earnings per equity share [Nominal value per share ₹ 2]			
	a) Basic (in ₹)	1.12	(0.74)	0.72
	b) Diluted (in ₹)	1.12	(0.74)	0.71

SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOWS

(₹ in crores)

Sr. No.	Particulars	March 31, 2024	March 31, 2023	March 31, 2022
A)	**Cash Flow from Operating Activities**			
	Profit/(Loss) Before Taxes after exceptional items as per Statement of Profit and Loss	**(1.06)**	**5.30**	**(0.50)**
	Adjustments For:			
	Depreciation and Amortisation Expense	68.94	59.21	34.92
	Finance Costs	30.02	29.36	27.32
	Net (gain) / loss on sale of investments	-	-	(0.01)
	Interest on Income Tax Refund	(1.32)	(1.58)	(2.75)
	Interest Income from Deposit with Bank and Others	(6.00)	(2.25)	(0.40)
	Interest Income from Unwinding of Other Financial Assets	(1.40)	(0.89)	-
	Liabilities no longer required - written back	(1.41)	(16.84)	(10.14)
	Impairment charged/(Reversed) of Property, Plant and Equipment	(0.50)	3.45	5.24
	Loss on write off of Property, Plant and Equipment	0.27	7.92	-
	Net (gain)/ loss on sale of Property, Plant and Equipment	0.26	(0.17)	3.16
	Net (gain)/ loss on Lease Modification	(0.77)	(0.22)	0.47
	Net gain on Sale of Mutual Funds	-	(0.08)	(0.19)
	Relinquishment of the financial liability	(23.60)	-	-
	Allowance for Expected Credit Loss	0.44	25.55	17.31
	Allowance for Expiry Stock	-	-	0.42
	Bad debts and irrevocable balances written off (net of allowances)	0.10	0.23	0.50
	Gain on loss of control of a Subsidiary	-	-	(60.12)
	Severance payment on disposal of Investment in GKIL	-	-	13.05
	Provision for GST related expenses (Net of amount paid)	-	-	11.89
	Allowance for other financial assets	0.70	-	-
	Provision for Employees Share Appreciation Rights	4.13	9.24	0.33
	Net Foreign Exchange (Gain)/Loss (Net)	0.15	-	(0.02)
	Net gain on disposal of Non-core Assets	(10.66)	(7.04)	-
	Impairment charged/(reversed) in the realisable value of Non-core Assets	-	(5.29)	13.02
	Operating profit before working capital changes	**58.29**	**105.90**	**53.50**
	Decrease In Inventories	0.29	0.36	0.48
	Decrease / (Increase) In Trade Receivables	22.53	(54.86)	(54.78)
	Increase in Other Financial Assets	(0.25)	-	(3.76)
	Decrease / (Increase) in Other Current Financial Assets	-	1.87	-
	Increase in loans and Non-Current Assets	-	(3.51)	(1.97)
	(Increase)/Decrease in Other Assets	(3.73)	-	0.46
	Decrease in other Current Assets	-	2.28	-
	(Decrease)/Increase in Provisions*	(1.17)	3.58	1.94
	(Decrease)/Increase in Financial Liabilities*	(5.13)	10.40	(3.75)
	(Decrease)/Increase in Trade Payables	(6.89)	0.05	20.67
	(Decrease)/Increase in Liabilities	2.10	-	(3.54)
	(Decrease) in Current Liabilities	-	(0.70)	
	(Decrease) in Non-Current Liabilities	-	(0.12)	
	Cash generated from Operating Activities	**66.04**	**65.25**	**9.26**
	Direct Taxes paid (net of refunds)	6.55	(7.07)	(15.80)
	Net Cash Flows generated/(used) from Operating Activities (A)	**72.59**	**58.18**	**(6.54)**
B)	**Cash Flow from Investing Activities**			
	Proceeds from sale of Property, Plant and Equipment	1.65	1.17	47.20
	Proceeds from sale of Non-core Assets	77.79	77.76	-
	Expenditure on Property, Plant and Equipment*	(20.62)	(32.95)	(8.59)
	Expenditure on Intangible Assets including Intangibles under development*	(3.95)	(0.21)	(0.59)
	Purchase of Current Investments*	-	(1.00)	(53.99)
	Proceeds from Sale of Investments	-	11.19	44.08
	Investment in bank Fixed Deposit, Net	(9.17)	(75.24)	11.41
	Interest Received	6.13	2.95	0.47
	Severance payment on disposal of Investment in GKIL	-	-	(13.05)
	Net Cash Flows generated/(used) from Investing Activities (B)	**51.83**	**(16.33)**	**26.94**

Sr. No.	Particulars	March 31, 2024	March 31, 2023	March 31, 2022
				(₹ in crores)
C)	**Cash Flow from Financing Activities**			
	Proceeds from issue of Equity Shares on exercise of ESARs	0.02	-	-
	Proceeds from allotment of shares against Share Warrants	-	52.50	27.37
	Repayment of Public Deposits	(1.11)	(3.05)	(2.97)
	Repayment of Long-Term Borrowings	(0.11)	(10.12)	(18.01)
	Proceeds/(repayment) of Short-Term Borrowings (Net)	20.85	(14.66)	(4.49)
	Transfer of Unpaid Public deposits to Investor Education and Protection Fund (IEPF)	(0.21)	-	-
	Payment of Unpaid Dividend and transfer to Investor Education and Protection Fund (IEPF)	(0.18)	-	-
	Payment of Principal portion of Lease Liabilities	(44.00)	(33.94)	(16.76)
	Payment of Interest on Lease Liabilities	(18.97)	(16.50)	(9.85)
	Interest Paid	(11.01)	(12.96)	(22.22)
	Net Cash Flows used in Financing Activities (C)	**(54.72)**	**(38.73)**	**(46.93)**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**69.70**	**3.12**	**(26.53)**
	Cash and Cash Equivalents at the beginning of the year	18.93	15.81	42.47
	Cash and cash equivalents of disposed subsidiary	-	-	(0.12)
	Cash and Cash Equivalents at the end of the year	**88.63**	**18.93**	**15.81**

For March 31, 2023, it pertains to Increase in Short Term Provisions

For March 31, 2023, it pertains to Increase / (Decrease) in Current Financial Liabilities

For March 31, 2023, it pertains to Expenditure on Property, Plant and Equipment including Capital work in progress

For March 31, 2023, it pertains to Expenditure on Intangible Assets

For March 31, 2023, it pertains to Purchase of Current Investments (Net)

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Placement Document, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry in which we currently operate. We have described the risks and uncertainties that our management believes are material but the risks set out in this Placement Document may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in future. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. To obtain a complete understanding of our Company and Subsidiaries, prospective investors should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussions and Analysis of Financial Condition and Results of Operations" on pages 154, 134 and 85, respectively, as well as the financial, statistical and other information contained in this Placement Document. For more information on the Composite Scheme of Arrangement, pursuant to which the international supply chain business of Allcargo Logistics Limited will get demerged into Allcargo ECU Limited. Further, Allcargo Supply Chain Private Limited and Gati Express & Supply Chain Private Limited amalgamating into our Company and thereafter our Company amalgamating into Allcargo Logistics Limited, the prospective investors should read this section in conjunction with "Proposed Amalgamation of our Company with Allcargo Logistics Limited", on page 175. In making an investment decision, prospective investors must rely on their own examination of us and the terms of this Issue including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Unless otherwise stated, references in this section to "our Company", "we", "us", or "our" (including in the context of any financial or operational information) are to Allcargo Gati Limited and our Subsidiaries and Associate, on a consolidated basis, and references to "the Issuer" are to Allcargo Gati Limited.

Prospective investors should pay particular attention to the fact that the Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. This Placement Document also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Placement Document. For details, see "Forward-Looking Statements" on page 15.

Our fiscal year ends on March 31 of each year. Accordingly, references to "Fiscal", are to the 12-month period ended March 31 of the relevant year. Unless stated otherwise or unless context requires otherwise, the financial information included in this section for Fiscal 2024, Fiscal 2023 and Fiscal 2022 have been derived from our Audited Consolidated Financial Statements beginning on page F-1.

The industry-related information contained in this section is derived from the Aviral Report. We have commissioned and paid for the Aviral Report pursuant to an engagement letter dated February 15, 2024 for the purposes of confirming our understanding of the industry in connection with this Issue. For details, see "Industry and Market Data" on page 14.

INTERNAL RISK FACTORS

1. There is no assurance that the Composite Scheme of Arrangement will be completed in a timely manner or at all.

On December 21, 2023, the Board of our Company approved the Composite Scheme of Arrangement pursuant to which (i) Allcargo Logistics Limited ("**ALL**" or "**Demerged Company**") will demerge its international supply chain business and support functions into Allcargo ECU Limited ("**AEL**" or "**Resulting Company**"), (ii) Allcargo Supply Chain Private Limited ("**ASCPL**" or " **Transferor Company 1**") and Gati Express & Supply Chain Private Limited ("**GESCPL**" or "**Transferor Company 2**") will amalgamate into our Company ("**Transferee Company 1**") and subsequently, the Company (now as "**Transferor Company 3**") will amalgamate into ALL ("**ALL", "GESCPL", "ASCPL**" and our company collectively referred to as "**Parties to the Composite Scheme of Arrangement** "), as further described in "*Proposed Amalgamation of our Company with Allcargo Logistics Limited*" on page 175. However, the Composite Scheme of Arrangement is subject to certain conditions precedent which are described in the section entitled "*Proposed Amalgamation of our Company with Allcargo Logistics Limited*" on page 175, including the fact that on the proposed amalgamation of the Company into Allcargo

Logistics Limited (post demerger of the international supply chain business and support functions), Allcargo Logistics Limited will issue new equity shares to the shareholders of the Company in the ratio of 63 equity shares of Allcargo Logistics Limited of ₹2 each fully paid-up , for every 10 equity shares of our Company of ₹2 each fully paid-up. As of the date of this Placement Document, Parties to the Composite Scheme of Arrangement are awaiting the various regulatory approvals required such as approval from the National Company Law Tribunal, Mumbai bench ("**NCLT**"), BSE Limited, National Stock Exchange of India Limited, SEBI, , approval from lenders and other relevant government and regulatory filings, including filing certified copies of the NCLT orders sanctioning the Composite Scheme of Arrangement with the Registrar of Companies and approval from RBI for non-resident equity shareholders.

In the event any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated in the Composite Scheme of Arrangement are not obtained or complied with or for any other reason, the Composite Scheme of Arrangement cannot be implemented, the proposed amalgamation shall become null and void, which may adversely affect the business strategy to efficiently utilise the business synergies of the companies forming part of the Composite Scheme of Arrangement.

2. The Composite Scheme of Arrangement is not yet effective and there are limitations on the information relating to the Amalgamating Group disclosed in this Placement Document.

For the purpose of Issue, we have included certain information available in the public domain relating to the Amalgamating Group in this Placement Document. The Composite Scheme of Arrangement is not yet effective and as such the Company and its advisers have limited access to the information relating to the Amalgamating Group. There may be risks associated with the Amalgamating Group which we are not aware of and any discovery of adverse information concerning the Amalgamating Group or any material liabilities which may result in the information contained in this Placement Document being inaccurate or inadequate and may materially and adversely affect our business, financial condition, cash flows and results of operations.

We have included the details with relation to the litigation of the Amalgamating Group, as applicable, in "*Legal Proceedings*" section on page 223 and we have provided details of the Composite Scheme of Arrangement in the "*Proposed Amalgamation of our Company with Allcargo Logistics Limited"* section on page 175.

3. Assuming the completion of the Composite Scheme of Arrangement, if we are unable to successfully integrate the Amalgamating Group to our business and realize the anticipated benefits of the Composite Scheme of Arrangement, our business, results of operations, financial condition and cash flows may be adversely affected.

The success of the Composite Scheme of Arrangement (including the realization of benefits described in "*Proposed Amalgamation of our Company with Allcargo Logistics Limited"* on page 175) will depend on our ability to realize the anticipated growth opportunities and synergies from combining the businesses of the Amalgamating Group with our business. Integrating companies of such size and complexity will be a challenging task that will require substantial resources including time, expense and effort from the management. If the management's attention and Company's funds are diverted or there are any difficulties associated with integrating such businesses, our results of operations could be adversely affected. In particular, the Composite Scheme of Arrangement increases the challenges relating to:

- developing and preserving a uniform culture, values and work environment in our operations;
- integrating, recruiting, training and retaining sufficient skilled management and employees;
- obtaining any consents or authorizations that may be required in respect of our integrated operations;
- developing and improving our internal administrative infrastructure, including our financial, operational, technology and communications and other internal systems;
- integrating the work-force, network, service, distribution and operations of the businesses; and
- any unanticipated or unidentified liabilities of the Amalgamating Group.

Even if we or as the case may be, the Amalgamating Group are able to successfully combine the businesses and operations, it may not be possible to realize the full benefits of the integration opportunities, the synergies that we or as the case may be, the Amalgamating Group currently expect to result from the Composite Scheme of Arrangement, or realize these benefits within the time frame that we currently expect or maintain the trading price consequent to the Composite Scheme of Arrangement. If we are unable to realize the anticipated benefits of the Composite Scheme of Arrangement on time, or at all, our or as the case may be, the Amalgamating Group's business, results of operations, financial condition and cash flows could be adversely affected.

4. ***There is an oppression and mismanagement case filed against one of our Promoters in relation to a company forming part of our Promoter Group.***

Certain members of our Promoter Group have filed a case of oppression and mismanagement against one of our Promoters, *viz* Mahendra Kumar Agarwal before the National Company Law Tribunal, Hyderabad Bench alleging that the manner in which the business affairs of TCI Finance Limited, member of our Promoter Group, are being conducted is prejudicial to the shareholders of our Company. The matter is currently pending. For further details, see "*Legal Proceedings-Litigation involving our Promoters−Material civil litigation involving our Promoters*" on page 236.

We cannot assure you that the matter will be adjudicated in favour of our outgoing Promoter and in case the matter is not decided in favour of our outgoing Promoter, there may be an adverse impact on the business operations and financial condition of our Company.

5. ***We derive a significant portion of our revenue from operations from our top 20 customers, with our top five customers contributing 11.15% revenue from operations in Fiscal 2024. Loss of one or more of these customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows.***

Our business operations are highly dependent on our top customers, which exposes us to a high risk of customer concentration. The following table summarizes the revenue proportion of our top customers for the respective period:

	Revenue from operations*					
	Fiscal 2024		**Fiscal 2023**		**Fiscal 2022**	
	In ₹ crores	**%**	**In ₹ crores**	**%**	**In ₹ crores**	**%**
Top 5 customers	164.91	11.15	146.24	9.96	80.59	6.49
Top 10 customers	256.68	17.36	224.93	15.31	137.55	11.08
Top 20 customers	368.65	24.93	330.36	22.49	216.82	17.46

**The revenue figures in the table above are from GESCPL, the Material Subsidiary of our Company. Additionally, the top customers included in the above table have been identified basis individual contracts entered into with such identified customers.*

Our success depends on our ability to generate repeat customer use and increase the size of our business from our existing customers. This requires us to continuously improve our existing offerings, offer more cost effective and high-quality logistics services and introduce new innovative solutions and services that meet evolving market trends and satisfy changing customer demands and business needs.

Most of our customer contracts for our express logistics business are for short-term arrangements with a term ranging from one to two years and the customer contracts for our supply chain management business is for a period ranging from two to four years. We cannot assure you that we will be able to renew customers on commercially acceptable terms, or at all.

Loss of one or more of these customers or a reduction in the amount of business we obtain from them for any reason including due to loss of, or failure to renew existing arrangements; adverse general economic conditions; disputes with such customers; decline in business of such customers; adverse changes in the financial condition of such customers; adverse change in any of such customers' supply chain strategies; reduction in their outsourcing of logistics operations; or if such customers decide to choose our competitors over us, could have an adverse effect on our business, results of operations, financial condition and cash flows. In order to retain some of our existing customers we may also be required to offer such terms to customers which may place restraints on our resources including providing discounts.

A decline in our customers' business performance may lead to a corresponding decrease in demand for our services. Furthermore, the volume of work performed for these customers may vary from period to period and we may not be the exclusive external logistics service provider for our clients. Our service contracts with our customers are generally subject to periodic renewal and related negotiations. Our reliance on a select group of clients may also constrain our ability to negotiate these agreements. Any failure to retain our existing customers or enter into relationships with new customers could have a material adverse impact on our revenues and resulting profitability.

6. ***We derive 91.09% of our revenue from operations from our surface express logistic business for Fiscal 2024 and any disruptions to our Operating Units could have a material adverse effect on our business, financial condition, cash flows and results of operations.***

Our Company is engaged in the business of providing logistics solutions to our clients including express distribution which includes surface distribution and air freight and supply chain management solutions. Currently, our Company also owns fuel stations which are in the process of being divested subject to receipt of necessary government approvals and the revenue from these fuel stations has not been considered in the total revenue from operation in the below mentioned table. The table below provides the details of the revenue generated from each of the services provided by us for the below mentioned period:

Vertical	**Revenue from operations from logistics business**					
	Fiscal 2024		**Fiscal 2023**		**Fiscal 2022**	
	In ₹ crores	**%**	**In ₹ crores**	**%**	**In ₹ crores**	**%**
Surface express distribution	1,347.38	91.09	1,350.22	91.93%	1,170.19	92.75%
Air express distribution	70.86	4.79	71.54	4.87%	51.70	4.10%
Supply chain management	60.89	4.12	46.97	3.20%	39.77	3.15%

We derive a significant portion of our revenue from our surface express distribution. Majority of our daily operations depend on the orderly performance of our Operating Units, which are largely driven by technology. Any service disruption in our logistics facilities as a result of a failure or disruption of the equipment, technological issues, capacity constraints during peak shipment volume periods, force majeure, prolonged power outage, changes in governmental planning for the land underlying these facilities, third-party sabotages, disputes, employee delinquencies or strikes, government inspections or regulatory orders mandating service halt or temporary or permanent shutdowns could adversely impact our business operations. Our transportation facilities could also face disruption, whether due to poor road infrastructure, breakdowns of vehicles, third-party sabotage or employee delinquency or strikes.

Natural disasters or other unanticipated catastrophic events, including storms, heavy rains, fires, floods, earthquakes, terrorist attacks and wars, could affect the surface network used by us and destroy inventory and equipment located in these facilities and significantly impair or disrupt our business operations.

In addition, Operating Units that meet the requirements of modern logistics operations for guaranteed storage and transportation safety (as applicable), optimal and flexible space utilisation and high operational efficiency are in short supply. We may not be able to replace these facilities and equipment in a timely manner, should any of the foregoing occur. We can provide no assurance that we will be able to find suitable replacement sites on terms acceptable to us on a timely basis, or at all, or that we will not be subject to material liability resulting from third parties' challenges to our use of such properties.

In the event of service disruptions in our Operating Units, our shipment pickup and delivery may be delayed, suspended or stopped. Such shipments would then need to be redirected to other nearby centres, and such rerouting would likely increase the risk of delays and delivery errors. At the same time, increased shipment sorting or pickup and delivery pressure on nearby centres may negatively impact their performance and result in adverse effects on our entire network. Any of the foregoing events may result in significant operational interruptions and slowdowns, customer complaints and reputational damage.

7. ***We are dependent on the performance of industries in which our customers operate, particularly automotive, pharmaceutical, retail / textile and e-commerce and fluctuations in the performance of such industries may result in a loss of such customers, a decrease in the volume of work we undertake or the price at which we offer our services.***

We are dependent on the performance of our customers operating in certain industries, particularly automotive, pharmaceutical, retail / textile and e-commerce.

These industries may be sensitive to factors beyond our control, including general economic conditions such as consumer demand, consumer confidence, inflation, employment and disposable income levels, interest rate levels, demographic trends, technological changes, increasing environmental, health and safety regulations, government policies, political instability and fuel prices. The business of some of our clients in the aforementioned industries is seasonal in nature specifically around festivals and accordingly there is an increase in demand for our services during peak season. A loss of, or a significant decrease in business from top customers particularly in the automotive, pharmaceutical, retail / textile and e-commerce industries could materially and adversely affect our business, results of operations, cash flows and financial condition.

8. ***We and the Amalgamating Group are party to certain legal proceedings that, if decided against us, could have an adverse effect on our reputation, business prospects, financial condition, cash flows and results of operations.***

We are involved in legal proceedings including civil and other legal proceedings which are in the ordinary course of business. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. In addition, we are involved in various direct tax and indirect tax proceedings. Brief details of material outstanding litigation which have been initiated by and against our Company, Subsidiaries, Promoters and Directors, as applicable, are set for the below:

(in ₹ crores)

Type of proceedings	Number of cases	Amount
Legal proceedings against our Company		
Material civil litigation	6	4.61
Tax matters	24	58.63
Actions and proceedings initiated by statutory and regulatory authorities	1	N.A.
Criminal matters	6	0.06
Legal proceedings by our Company		
Material civil litigation	6	16.31
Criminal matters#	46	41.93
Legal proceedings involving our Promoters		
Material civil litigation	7	178.58
Tax matters	12	180.43
Actions and proceedings initiated by statutory and regulatory authorities	1	285.00
Criminal matters	22^	44.21
Legal proceedings against our Subsidiaries		
Material civil litigation	5	3.40*
Tax matters	39	65.89
Actions and proceedings initiated by statutory and regulatory authorities	N.A.	N.A.
Criminal matters	3	0.61
Legal proceedings by our Subsidiaries		
Material civil litigation	6	3.25
Criminal matters	50	11.51

Type of proceedings	Number of cases	Amount
Legal proceedings involving our Directors		
Material civil litigation	1	0.94
Actions and proceedings initiated by statutory and regulatory authorities	Nil	N.A.
Criminal matters	Nil	N.A.
Legal Proceedings involving the Amalgamating Group		
Material civil litigation	Nil	N.A.
Actions and proceedings initiated by statutory and regulatory authorities	Nil	N.A.
Criminal matters	12	180.43

 # This includes matters relating to the Negotiable Instruments Act.
^ There are two other criminal matters which have been filed against our outgoing Promoter, one each by the Company and GESCPL, respectively. For further details, please see heading titled 'Criminal proceedings by our Company' and 'Criminal proceedings by our Subsidiary' on pages 225 and 231.
** The amount involved for certain of the ongoing litigation involving our Subsidiaries is in USD denomination, the conversion rate for the same is as on March 31, 2024. For further details, please see "Exchange Rates Information" on page 19.*

We cannot assure you that such outstanding legal proceedings will be decided in our favour or that any financial provisions we have made for such legal proceedings will be sufficient. For details of such legal proceedings, see "*Legal Proceedings*" on page 223. Such legal proceedings could divert the management's time and attention and consume financial resources in their defence or prosecution. In addition, should any new developments arise such as changes in Indian law or rulings against us by the regulators, appellate courts or tribunals, we may need to make provisions in our financial statements as per Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets", which could increase our expenses and our current liabilities. An adverse outcome in such proceedings could have an adverse effect on our business, reputation, cash flows and results of operations.

9. The name of Mahendra Kumar Agarwal, our Promoter, has been reported as a wilful defaulter by State Bank of India ("SBI"). A writ petition has been filed by our Promoter against the order passed by SBI, which is currently pending before the High Court of Telangana. We cannot assure that the decision in this outstanding litigation will be favorable to our Promoter.

The name of one of our Promoter, Mahendra Kumar Agarwal, is appearing in the RBI Wilful Defaulter list. Pursuant to communication dated January 16, 2023 including the order of the identification committee of SBI dated August 21, 2020 and the order of review committee of SBI dated November 13, 2020 ("**Orders**"), Mahendra Kumar Agarwal, our Promoter, was reported as a Wilful Defaulter by SBI, for default of payment of ₹ 285.00 crore. Our Promoter has filed a Writ Petition before the High Court of Telangana bearing number W.P. No. 3120 of 2023 along with an Interim Application no. 1 of 2023, against SBI and RBI, alleging that the Orders were not served to him, and prayed for issuance of a writ order or direction in the nature of mandamus to declare that the action of SBI in declaring the Promoter as a 'Wilful Defaulter' as illegal, arbitrary, unconstitutional and in violation of the principles of natural justice and to stay all further proceedings/actions pertaining to declaring Mr. Mahendra Kumar Agarwal as a 'Wilful Defaulter'. The High Court of Telangana has granted an interim stay on the Orders and any other proceedings initiated against our Promoter in pursuance to the Orders. Subsequently, the High Court of Telangana vide its order dated April 17, 2023, extended the interim stay order directing RBI and SBI to file their responses. The matter is pending currently. For further details, see "*Legal Proceedings - Litigation involving our Promoters*" on page 235.

10. We operate in a highly fragmented and competitive industry and increased competition may lead to a reduction in our revenues, reduced profit margins or a loss of market share.

Express distribution is highly organized and competitive within the domestic transportation industry. The major players of the organized B2B express logistics industry account for almost 55%-60% of market. *(Source: Aviral*

Report). We may face competition from the other organized players in the B2B express logistics business and such competition may lead to a reduction in our revenues, profit margins or a loss of market share.

Our success depends on our ability to anticipate, understand and address the preferences of our existing and prospective clients as well as to understand evolving industry trends and our failure to adequately do so could adversely affect our business. Further, if our level of service deteriorates, or if we are unable to provide our services in a timely, reliable, safe and secure manner, our reputation and business may suffer. Our competitors may successfully attract our clients by matching or exceeding what we offer. Among other things, our competitors may:

- expand their transportation network or increase the frequency in their existing routes;
- reduce, or offer discounts on, their prices; while we may respond by matching their prices or by increasing our advertising and promotions, this may increase our costs and limit our ability to maintain our operating margins or growth rate; or
- benefit from greater economies of scale if they are larger than us and derive operating efficiencies such as a broader logistics network, a wider range of services, larger brand recognition or greater financial resources than we do, and may be able to devote greater resources to pricing and promotional programs.

In areas of business or verticals where we are a new entrant, we may be unable to compete effectively with our competitors, some of whom may have more experience and even new age disruptive models. Other factors that could affect our ability to maintain our levels of revenues and profitability include the development of an operational model similar or superior to ours by a competitor or the entry of global logistics companies in the client categories where we operate.

Our inability to compete effectively could affect our ability to retain our existing clients or attract new clients which may in turn materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

11. Our business is dependent on technology and any disruption or failure of our technology systems may affect our operations. We are in the process of upgrading our technological capabilities and if we are unable to integrate the new technology and upgrades into our system it may have a material adverse impact on our business operation.

We believe that our technological capabilities play a key role in helping us effectively manage our pan-India operations, maintain operational and fiscal controls, and support our efforts to enhance client service levels. Accordingly, reliability, availability and consistent performance of our technology infrastructure is critical to our ability to operate our business and deliver quality customer service. Our business is dependent on the efficient and uninterrupted operation of our technology infrastructure and systems. For further details, see "*Our Business*" on page 154.

Our operations are vulnerable to interruption by events beyond our control such as fire, earthquake, power loss, telecommunications or internet failures, terrorist attacks and computer viruses. We could be subject to hacking or other attacks on our IT systems and we cannot assure you that we will be able to successfully block or prevent all such attacks. Any breaches of our IT systems may require us to incur further expenditure on repairs or deploying more advanced security systems. A significant system failure could adversely affect our ability to manage overall operations, thereby affecting our ability to deliver our services to our clients, affecting our reputation and revenues. We may also be exposed to multiple claims for failed delivery of goods. If such interruption is prolonged, our business, operations, financial condition, results of operations and cash flows may be materially and adversely affected.

We expect our clients to continue to demand more sophisticated and customized solutions. We may lose clients and our business could be affected if we fail to implement and maintain our technology systems or fail to upgrade or replace our technology systems to handle increased volumes, meet the demands of our clients and protect against disruptions of our operations. Our operating efficiency may decline and our growth may suffer if our technology systems are unable to handle additional volume of our operations as we grow. Some of our existing technologies and processes in the business may become obsolete or perform less efficiently compared to newer and better technologies and processes in the future. Certain of our competitors may have access to similar or superior technology or may have better adapted themselves to technological changes. The logistics industry could also experience unexpected disruptions from technology based start-ups. The cost of upgrading or implementing new technologies, upgrading our equipment or expanding their capacity could be significant and could adversely affect our business, operations, financial condition, results of operations and cash flows.

We intend to focus on digitalisation of our operations for improving overall customer experience. As part of our initiative towards complete digitalisation of our business we will be automating our pick-up and delivery operations and we have also initiated upgradation of our core operating system by partnering with a leading global technology company. This new technology being GEMS 2.0, will integrate various front end and backend functionalities such as CRM, finance and other management tools by providing a one click view for performance analysis. For further details, see "*Our Business*" on page 154. We intend to utilise a portion of the Net Proceeds towards developing GEMS 2.0. For further details, see "*Use of Proceeds*" on page 70.

While we expect our new technology to integrate with our existing business if we are unable to do this in a timely manner, it will have an adverse impact on our future business plans and business operations. Further, we may be unable to effectively compete with our competitors if we do not upgrade our technology.

12. We employ a large workforce, and any failure to attract and retain suitably qualified and skilled employees, labour unrest, labour union activities, increases in the cost of labour or failure to comply with applicable labour laws could negatively affect our business.

Our business requires a substantial number of personnel, and this is likely to increase in tandem with the growth of our business. The details of our number of permanent employees and contracted workers as of April 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 are provided below:

Particulars	As of April 30, 2024	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
Permanent Employees	2,715	2,747	3,226	3,428
Contracted Workers	667	671	347	8

The salaries and benefits that we provide are determined by various factors such as labour laws and regulations, supply and demand in micro sectors, attrition levels, and level of expertise, customisation and productivity required for a particular activity.

Our future success greatly depends on our continued ability to attract, develop, motivate, recruit and retain suitably qualified employees, particularly those skilled in technology, data science, industrial design, automation, robotics and engineering. The competition for highly skilled personnel in the logistics industry and Indian technology industry is high and may further increase and accordingly increase our employee-related costs, which may impact our profitability. We may not be able to recruit and retain these personnel at compensation levels consistent with our existing compensation and salary structure. Some of the companies with which we compete for experienced employees may have greater resources and may be able to offer more attractive terms of employment. In addition, we invest significant time and resources in training our employees, which increases their value to competitors who may seek to recruit them. If we fail to retain our employees or are unable to replace them in a timely manner or at all, we could incur significant expenses in hiring and training their replacements, and the quality of our services and our ability to serve our customers could diminish, resulting in a material adverse effect to our business, financial condition, cash flows, prospects and results of operations.

The engagement of a large contractual workforce requires us to comply with applicable labour laws. We may be held responsible if there is a non-compliance with the applicable labour laws, including failure to comply with minimum wage laws, pay wages or provide various employment benefits, including contributions to the employees' provident fund ("**EPF**"). In the event of a default by the manpower agencies on their contracts with the contracted workers, we may be held liable. Changes in labour laws, such as minimum wage laws, may also require us to incur additional costs, such as raising salaries or increasing our contributions to the EPF. For example, the GoI has recently introduced (a) the Code on Wages, 2019 ("**Wages Code**"); (b) the Code on Social Security, 2020 ("**Social Security Code**"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. The rules for the implementation of these codes have not been announced, and as such, the full impact of such laws on our business, operations and growth prospects, remain uncertain. For example, the Social Security Code aims to provide uniformity in providing social security benefits to employees which were previously segregated under different acts and had different applicability and coverage. Furthermore, the Wages Code limits the amounts that may be excluded from being accounted towards employment benefits (such as gratuity and maternity benefits) to a maximum of 50% of the wages payable to employees. The implementation of laws enhancing employee benefits may increase our employee and labour costs, thereby adversely impacting our results of operations, cash flows, business and financial performance.

Any failure to retain a stable and dedicated workforce by us may lead to disruption to or delay in our services provided to customers. We often need to hire additional or temporary workers to handle the significant increase in shipment volume following special promotional events or during peak seasons. Although we have not experienced any labour shortage to date. Labour costs are driven by market dynamics and we may experience fluctuations in our labour costs due to increases in salary, social benefits and employee and contracted worker headcount, particularly during peak seasons and natural disasters, such as pandemics. If we are unable to offer competitive or attractive salaries and benefits, or pay our employees and contracted workers on time or in full, we may lose our personnel or be unable to hire additional temporary workers during peak seasons, resulting in insufficient delivery resources, disgruntled employees and contracted workers or lower delivery service quality in certain parts of our network. We may not be able to raise our pricing to offset any increases in labour cost in a timely manner or at all.

Some of our workers have formed a labour union and if a labour dispute or conflict were to develop between us and our employees or contracted workers were to unionise or go on strike, we could become a target for union organizing activities and suffer work stoppage for a significant period of time. The unionisation of the workers engaged by our business partners, and any strikes, work stoppages, industrial actions or other forms of labour unrest or collective actions directed against us or our business partners could hinder our business operations or result in negative publicity that could adversely affect our brand and reputation. Work stoppages can result in significant disruptions or delays in our ability to complete deliveries. In the states of Maharashtra and Kerala, our Company has to compulsorily onboard only those individuals who are registered with the regulatory board of the respective state, i.e. The Mathadi Board for Maharashtra before onboarding other handlers and loaders. Not complying with the above regulation has stringent repercussions including halt of operations, penalties, and imprisonment. Any threat from the Regional Union group about employment, subscriptions, fundraising, and so on poses a threat to our staff. While no such labour dispute resulting in work stoppage has taken place in the past we cannot assure you that such an incident will not happen in the future. A labour dispute can be difficult to resolve and may require us to seek arbitration for resolution, which can be time consuming, distracting to management, expensive and difficult to predict. In addition, labour disputes with a unionised employee or worker may involve substantial demands on behalf of the unionised employees or workers, including substantial wage increases, which may not be correlated with our performance, thus impairing our financial results. In the event that we are unable to pass on any increased labour costs to our customers, our business operations, financial condition and cash flows may be adversely affected.

13. ***Our Company has received notices from the Competition Commission of India ("CCI") in relation to an investigation being conducted by them.***

Our Company has received notices dated February 6, 2024 and July 5, 2023 (the "**Notices**") from the Deputy Director General of the Competition Commission of India ("**CCI**") under section 36(2) read with section 41(2) of the Competition Act, 2002. The Notices have been issued pursuant to an order passed by the Competition Commission of India under section 26(1) dated October 18, 2022 in the matter involving *Express Industry Council of India and Ors.*, wherein allegations concerning anti-competitive practices being carried out in the logistics business in violation of section 3 of the Competition Act, 2002 was addressed. Our Company has responded to the queries raised in the said Notices by way of responses dated March 21, 2024, February 15, 2024, August 3, 2023 and September 14, 2023, providing the requisite information, clarifications and documents. As on the date of this Placement Document, our Company has not yet received further communication from the office of the Deputy Director General post submission of our responses dated March 21, 2024, February 15, 2024, August 3, 2023 and September 14, 2023. Any action taken or an adverse order from the CCI in connection with the Notices may have a material adverse impact on the business operations, financial condition and cash flows.

14. ***One of our Promoters and certain members of our Promoter Group are in the process of being re-classified to the 'public' category, and after such reclassification becomes effective, Allcargo Logistics Limited shall be the only promoter of our Company.***

As on March 31, 2024, the total shareholding of the Promoter and Promoter Group in our Company was 52.93% of the total paid-up share capital of our Company and out of this the Outgoing Promoter and Promoter Group held 0.89% and the remaining Equity Shares constituting 52.04% were held by Allcargo Logistics Limited, Neera and Children Trust, Manish Agarwal Benefit Trust, Dhruv Agarwal Benefit Trust.

One of our Promoters, namely Mahendra Kumar Agarwal and certain members of our Promoter Group, namely Mahendra Kumar Agarwal & Sons HUF, Mahendra Investment Advisors Private Limited, TCI Finance Limited, Bunny Investments & Finance Limited and Jubilee Commercial and Trading Private Limited (the "**Outgoing Promoter and Promoter Group**"), requested the Company to make an application to the Stock Exchanges to reclassify them under the 'public' category in accordance with Regulation 31A of the SEBI Listing Regulations. The Board of Directors and Shareholders of our Company have considered and approved the request of Outgoing Promoter and Promoter Group for re-classification from 'promoter and promoter group' category to 'public' category in their meetings dated September 28, 2020 and December 28, 2020, respectively subject to receipt of approval from the Stock Exchanges in accordance with SEBI Listing Regulations. Accordingly, our Company had made an application to the Stock Exchanges for such reclassification on January 22, 2021 (the "**Reclassification Application**"). We received certain queries and request for clarification from the Stock Exchanges in relation to the Reclassification Application which were responded by our Company. As on date of this Placement Document, while the Reclassification Application is pending approval, the Outgoing Promoter and Promoter Group are not in control of the Company nor are in charge of its day-to-day operations since the date of the Reclassification Application.

Moreover, our Company has, pursuant to an indemnity agreement dated June 24, 2024 entered into with Mahendra Kumar Agarwal, have agreed to indemnify Mahendra Kumar Agarwal against certain losses suffered by Mahendra Kumar Agarwal arising solely due to his capacity as a promoter of our Company in relation to the Issue. In the event of such occurrence, our business, results of operations, cash flows, financial condition and reputation may be adversely affected.

15. ***Our customer contracts can be terminated by our customers without cause on short notice and without compensation. Further, our failure to provide our services in accordance with our customer contracts could result in us having to pay damages, the cancellation of contracts.***

Our contracts with majority of our customers (based on their contribution to our revenue from operations in Fiscal 2023) typically have a tenure ranging from one to two years. We cannot assure that our business with such customers will not be terminated abruptly or that they will be carried on in accordance with the terms favourable to us, within the anticipated timeframe, or at all.

Our agreements with our customers may be terminated by giving a short or no prior notice and without compensation and we may be required to indemnify our customers with respect to any negligent act or omission by or misconduct of our employees and in majority of our agreements our indemnity is uncapped. Further, our Company may not be able to claim damages Our business could be adversely affected if our contracts with our customers are not renewed within the anticipated timeframe, or at all.

Further, certain of our agreements with our customers require us to adhere to certain prescribed terms and conditions or a code of conduct prescribed by them, which may increase our compliance costs. In the event we are unable to meet the prescribed terms and conditions in our agreements with our customers, we may be required to, among other things, termination of contract.

Our inability to secure new contracts to offset the loss of the terminated contracts or our inability to accurately forecast the renewal of customer contracts may create uncertainties with respect to our revenues from our customer contracts, any of which may in turn materially and adversely affect our business, results of operations, financial condition and cash flows. We cannot assure you that in the future our customers will not terminate any contract without cause.

16. ***We depend on our business partners, third-party service providers and vendors/suppliers in certain aspects of our operations and unsatisfactory services provided by them or failure to maintain relationships with them could disrupt our operations.***

The intermediaries comprising cargo carriers, vendors, brokers, vehicle suppliers, etc. form an integral part of our business operations and help us in providing our services. The performance of our third-party service providers and vendors may not meet the relevant terms and conditions or performance parameters as specified in our contracts with our customers, which could result in disruption of our business operations and a deterioration in our brand value. Further, certain assets necessary for our operations such as cargo, vehicles and moving equipment, warehouses and manpower are leased from third parties. We cannot assure you that we will continue to receive an uninterrupted supply of these assets to us in a timely manner or in quantities or prices that are commercially acceptable to us, or at all. Events beyond our control may also affect the cost or availability of transport assets or related equipment. Hiring additional *ad hoc* third-party transport assets may also significantly increases our operational expenses, which could adversely affect our cost structure and in turn our profitability. The non-performance of our third-party service providers may also lead to dispute, which may adversely affect our relationships with such service providers as well as our customers.

Further, we may not have any control over the servicing and maintenance of these transport assets. Any nonavailability or delays in obtaining transport assets or breakdowns, on-road repairs or service interruptions may result in loss of orders or delays in delivery of goods, any of which could lead to client dissatisfaction and loss of business.

Additionally, although, we have entered into formal agreements with some of our intermediaries, we have not entered into any long-term agreements with most of our suppliers for supply of the transport vehicles required by us for steady functioning of our business operations, therefore the costs of hiring such assets are generally based on mutual terms and the prevailing market price. Absence of such agreements involves inherent risks such as inability to enforce obligations in case of breach. We cannot assure you that we will be able to maintain amicable relations with our intermediaries or continue to renew the arrangements with these third parties on terms that are commercially acceptable to us, or we can renew at all.

We may face the risk of our competitors offering better terms or prices, which may cause our vendors to cater to our competitors alongside us or cater to them on a priority basis, which could adversely affect our business, results of operations, financial condition and cash flows.

If any of the foregoing risks materialize, our business, operations, reputation, financial condition, results of operations and cash flows may be adversely affected.

17. ***Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a public financial institution or a scheduled commercial bank and our management will have broad discretion over utilization of the Net Proceeds.***

Our Company proposes to utilize the Net Proceeds, after meeting the expenditures in relation to the Issue, for (i) investment in our Material Subsidiary, for repayment / pre-payment, in part, of certain current borrowings availed by GESCPL; (ii) investment in GESCPL for the upgradation of our Operating Units; (iii) investment in GESCPL for funding the development of our proprietary technology; and (iv) general corporate purposes. For further details, see section titled *"Use of Proceeds"* at page 70. Our proposed deployment of Net Proceeds has not been appraised by a public financial institution or a scheduled commercial bank and is based on management estimates. Our management will have broad discretion to use the Net Proceeds. Further, as per the provisions of the SEBI ICDR Regulations, our Company is required to appoint a monitoring agency and therefore ICRA Limited has been appointed as the monitoring agency for the Issue. Various risks and uncertainties, including those set forth in this section including inability to obtain necessary approvals for undertaking proposed activities, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. Our Company cannot assure you that use of the Net Proceeds to meet our future capital requirements, fund our growth and for other purposes identified by our management would result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

18. ***We have not entered into any definitive agreements with respect to capital expenditure requirements for purchase of new equipment and machinery and certain civil work operating units.***

We intend to use the Net Proceeds of the Issue, inter alia, towards capital expenditure requirements for purchase of equipment, plant and machinery and certain civil work for the upgradation of our Operating Units as set forth in the section *"Use of Proceeds"* on page 70. We have not entered into any definitive agreements to utilize the Net Proceeds towards the proposed abovementioned capital expenditure. We have relied on third party quotations to calculate the expected amount of the Net Proceeds to be spent on civil work, equipment and machinery. We cannot confirm whether we will be able to undertake civil works and purchase the equipment and machinery at the same price at which we obtained the quotations. Consequently, we may require additional funds towards such capital expenditure.

There can be no assurance that our plans for purchasing equipment, machinery and civil work for the proposed infrastructure upgradation will be implemented as planned or on schedule. We may experience significant delays or mishaps in the implementation of our plans. Further, unforeseen delays may occur due to external factors such as cost overrun, economic conditions, unanticipated expenses or regulatory changes may adversely affect our business operations.

19. Our Company depends on its key managerial personnel and senior management team and a loss of any of our senior management may adversely affect the ability to operate or grow our business.

Our Company's success depends to a large extent upon the continued services of our key managerial personnel and senior management team. Our key managerial personnel and senior management are not bound by employment or non-competition agreements, and we cannot assure you that we will be able to retain them. We could be adversely affected by the loss of any of our senior management or other executive officers. The market for such qualified professionals is competitive and we may not continue to be successful in our efforts to attract and retain qualified people. Our success also depends, in part, on key client relationships forged by members of our key managerial personnel and senior management. If we were to lose any of our key managerial personnel or senior management, we cannot assure you that we will be able to continue to maintain key client relationships or renew them. If we are unable to retain these members of our senior management or our key managerial personnel, our business, results of operations, cash flows and financial condition may be adversely affected.

20. Our business operations depend on the infrastructural capabilities at our Operating Units and if we are unable to upgrade or set up new Operating Units it may adversely affect our ability to operate or grow our business

We intend to expand our network infrastructure and capacity for our surface express distribution. We are also in the process of upgrading our Operating Units by making them highly automated with limited human intervention. As of April 30, 2024, our Company has 657 Operating Units. Our Company is in the process of expanding our infrastructure capabilities by setting up new Operating Units and upgrading the infrastructure of the existing Operating Units.

The infrastructural upgrades implemented so far at our surface transit centres (Operating Units) have assisted in reducing the operational difficulties and thereby reducing the overall turnaround time. We believe that the strategic location of the new operating units will also assist us in having better connectivity.

If we are unable to successfully upgrade our infrastructural capabilities at the existing major Operating Units and / or expand our existing network our business operations will be affected and may have an adverse impact on the overall business, results of operations and cash flows.

21. We may not be able to lease warehouses, obtain rights to use lease warehouses or Operating Units in desirable locations that are suitable for our expansion at commercially reasonable prices and our expansion plans may be delayed or affected by various factors.

The growth and success of our business significantly depend on our ability to lease or otherwise obtain rights to use warehouses and other Operating Units at locations that are suitable for our operations and at commercially reasonable prices. The number of surface transit centres, air transit centres, Express Distribution Centres, Gati Distribution Warehouse, Customer Convenience Centres - Owned, Customer Convenience Centres - Franchise as of April 30, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, is tabulated below:

Capacity	As of April 30, 2024	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
Surface Transit Centres (STC)	22	21	22	22
Air Transit Centres (ATC)	8	8	8	8
Express Distribution Centres (EDC)	18	18	18	19
Gati Distribution Warehouse (GDW)	94	93	90	84
Customer Convenience Centres - Owned (CCCO)	129	122	120	148
Customer Convenience Centres - Franchise (CCCF)	386	395	500	401
Total Operating Units	**657**	**657**	**758**	**682**

Our ability to obtain rights to use warehouses and other Operating Units depends on a variety of factors that are beyond our control such as overall economic conditions, the availability of Operating Units, our ability to identify such properties and competition for such properties. In addition, properties in convenient locations or supported by quality infrastructure may command a premium, which may exceed our budget. The expansion of our warehouses and other distribution centres may be adversely affected by certain other factors, including, but not limited to:

- delays in improvements due to factors beyond our control;
- inability to obtain all necessary regulatory licenses, permits, approvals and authorizations;
- significant pre-operating costs or capital improvements, work stoppages, strikes or accidents; and
- inability to invest in equipment, manpower and related assets at our existing and proposed multi-user warehouses that are suitable for our expansion at commercially reasonable prices.

To the extent that we are unable to obtain rights to use or lease suitable warehouses and logistics facilities within the anticipated time frame or at commercially acceptable prices, our business, financial condition, cash flows, results of operations and prospects may be materially and adversely affected.

We typically lease or license certain logistics assets/facilities from third parties for operating our transportation assets such as vehicles and also for our warehouses in order to provide our logistics solutions and services to certain customers. The lease or license ranges between 11 months to 20 years depending on the facilities taken on lease. We maintain or increase these logistics assets/facilities on the basis of actual demand or our projections of future demand, which may involve uncertainties. Such lease or license agreement may be terminated or not renewed on a timely manner by our lessor. In the event our lessor decides to terminate, or not renew, their contracts with us and we are not able to effectively utilise assets/facilities in the manner we anticipated, we may incur additional lease costs for such assets/facilities which could in turn adversely affect our profit margins.

22. Significant disruptions of information technology systems or breaches of data security could have an adverse effect on our business, results of operations, financial condition and cash flows.

We depend upon information technology systems for our business operations. The technology used by our Company currently is dated and not comparable to industry standards. We intend to technologically update our systems and have entered into an arrangement with a technology partner. Our IT systems are potentially vulnerable to system inadequacies, network failure, hardware failure, operating failures, service interruptions or failures, security breaches, malicious intrusions or cyber-attacks from a variety of sources. Cyber-attacks are growing in their frequency, sophistication and intensity, and are becoming increasingly difficult to detect, mitigate or prevent. Cyber-attacks come in many forms, including the deployment of harmful malware, exploitation of vulnerabilities, denial-of-service attacks, the use of social engineering and other means to compromise the confidentiality, integrity and availability of our IT systems, confidential information and other data. While we have not experienced any significant disruptions to our information technology systems due to cyber-attacks in the past, we cannot assure you that we will not encounter any such disruptions in the future. Any such disruption may result in the loss of key information and disruption of production and business processes, which could adversely affect our business, results of operations, financial condition and cash flows.

Our systems are also potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data, including personal data of consumers, employees to unauthorized persons. Such data security breaches could lead to unauthorized access to our systems, misappropriation of data and unforeseen disclosure or transfer of data. In addition, most of our data is stored, transmitted and backed up on servers not owned by us, and therefore, we cannot guarantee that there may not be unauthorized access to such data, and we may be exposed to liability in relation to such breaches. While we have not experienced any significant data breaches in the past, any such security breaches could have an adverse effect on our business, results of operations, financial condition and cash flows.

Further, we may be subject to laws and regulations relating to privacy and the collection, storing, sharing, use, disclosure, and protection of certain types of data. These laws and regulations may continually change as a result of new legislation, amendments to existing legislation, changes in the enforcement policies and changes in the interpretation of such laws and regulations by the courts or the regulators. For example, the Digital Personal Data Protection Act, 2023 ("**DPDP Act**") is a legal framework governing the processing of personal data. Such changes in laws or regulations relating to privacy, data protection and information security may increase our compliance costs and result in further regulatory restrictions in the future.

As part of our operations, we are required to comply with the IT Act and the rules thereof, which provides for civil and criminal liability including compensation to persons affected, penalties and imprisonment for various cyber related offenses, including unauthorized disclosure of confidential information and failure to protect sensitive personal data. India has already implemented certain privacy laws, including the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 and the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 as amended, which impose limitations and restrictions on the collection, use, disclosure and transfer of personal information.

23. Our diverse and multi-location operations subject us to various statutory, legal and regulatory risks.

Our future revenue growth depends upon the successful operation of our Operating Units, the efficiency of our delivery systems and the successful management of our sales, marketing, and support and service teams through direct and indirect channels in various states across India where our existing or potential clients are located. The expansion of our business may require that we establish new offices and warehouses and manage businesses in widely disparate states with different statutory, legal and regulatory framework. Certain of logistics industry related legal and regulatory compliance and challenges, among others, include:

- We carry the goods largely on said-to-contain basis. We therefore do not verify the contents of the goods transported by us, thereby exposing us to the risks associated with the transportation of goods in violation of applicable laws.
- We are exposed to risk of carrying excess load due to unorganised vendor community and inadvertent lapses of control on loading of goods in excess of prescribed limits under applicable laws and regulations.
- Our operations are subject to various domestic and regulations governing, among other things, noise control, emissions to air, environmental concerns (including concerns about global climate change and its impact such as greenhouse gas emissions), fuel economy standards, health and safety of employees, labour and accounting laws.

24. We may not be able to pass on any increase in costs levied by our business partners to our clients. Conversely, we may not be able to pass on any decline in prices we charge our clients to our business partners.

We typically pass on the charges we receive from our third-party service providers to our customers in the pricing of services we offer. However, we may not be able to immediately pass on any short-term increases in these charges to our customers until our contracts are reviewed with our customers, or until we negotiate the renewal terms of our customer contracts. We may be susceptible to certain unforeseen costs if our third-party service providers decide to impose these additional costs on us in the interim period. We cannot assure you that we will be able to pass on any such unanticipated increases in costs to our customers in the future, either wholly or in part.

Similarly, if there are any fluctuations in the performance of the industries in which our customers operate or in the event of an economic slowdown in India, our customers may negotiate a lower price for our services and we may not be able to pass on any decrease in our prices to our third-party service providers. Disagreements on such costs may lead to a loss of customers and may also affect the reliability and quality of the services provided by our third-party service providers.

Vehicle hiring cost represents one of our significant operating costs. The cost of fuel has increased in recent years and fluctuates significantly due to various factors beyond our control, including international prices of crude oil and petroleum products, global and regional demand and supply conditions, geopolitical uncertainties, import cost of crude oil, government policies and regulations and availability of alternative fuels. Although historically we have generally been able to pass on any increases in the cost of fuel or other operating costs to our customers through periodic increases in our freight rates, there can be no assurance that we will be able to pass on any such increases in the future to our customers either wholly or in part. This required managing both increase and decrease in fuel cost with vendors and customers in step so as to ensure it is a 100% pass through. If this mechanism does not work seamlessly there can be an adverse impact on the business cost, affecting our profitability adversely.

In the event of a significant or long-term increase in our operating costs, whether as a result of increases in fuel prices, third-party transportation service charges, rent or other costs, our inability to pass on such increases in costs to our customers or any decline in prices to our third-party service providers, or our inability to adopt effective cost control-measures, may materially and adversely affect our operating margins and, consequently, our business, results of operations, financial condition and cash flows.

25. We are subject to various risks associated with logistics industry and we may face claims relating to loss or damage to cargo, personal injury claims or other operating risks that are not adequately insured.

Our business is subject to various risks inherent in the logistics industry, including potential liability to our customers which could result from, among other circumstances, personal injury to persons or damage to property arising from accidents or incidents involving vehicles operated by us. In the normal course of business, we may be exposed to claims from our customers arising from theft, damage or loss of the materials. We may, in certain circumstances, be required to compensate our customers in the event of any damage or loss of goods transported by us. Air and road transport services involve many risks and hazards, including mechanical breakdowns; however, insurance cover may be expensive, or may not be available, for certain of these risks. We may become subject to liability for hazards which we cannot, or may not elect to, insure because of high premium costs or other reasons, or for occurrences which exceed maximum coverage under our policies.

Any failure or mishandling of hazardous freight, leakages, explosion or any adverse incident related to the freight or otherwise during the transportation, handling or warehousing, may cause accidents, fire, loss of human life and property, damage to our and third-party property and, or, environmental damage, require shutdown of one or more of our warehouses and expose us to civil or criminal liability. If any such event were to occur we could be subject to significant penalties, other actionable claims and, in some instances, criminal prosecution. In addition to adversely affecting our reputation, any such accidents, may result in a loss of our vehicles and/or disruption in our warehouses entirely, which may have an adverse effect on our results of operations, cash flows and financial condition.

While our Company and our Subsidiaries maintain insurance coverage at levels and for risks that we believe are customary in the logistics industry in India, we cannot assure you that there will not be any claims relating to loss or damage to goods, personal injury claims or other operating risks that are not adequately insured.

Value of consignments is typically higher than the freight value. In the event of any disruption wherein we face customer claims and may not have adequate back-up, we may have to incur liabilities, and consequently our business, prospects, financial condition, results of operations and cash flows may be adversely affected. We cannot assure you that the terms of our insurance policies will be adequate to cover any such damage or loss suffered or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

Furthermore, any accident or incident involving vehicles operated by third party suppliers, even if these vehicles are fully insured or we are held not to be liable, could negatively affect our reputation among customers and the public, thereby making it difficult for us to compete effectively, and could significantly affect the cost and availability of insurance in the future. To the extent that any such uninsured risks materialize, our business, financial condition, results of operations and cash flows may be materially and adversely affected.

26. ***If we are unable to raise additional financing, our business, cash flow statement, results of operations and financial condition could be adversely affected. Further, any movement in the market interest rates could have an effect on our net income or financial position.***

We will continue to incur significant expenditure in maintaining and growing our existing business and infrastructure. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. While we expect our cash in hand and cash flow from operations to be adequate to fund our existing commitments, our ability to incur any future borrowings is dependent upon the success of our operations. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions and the effect of events such as the credit availability from banks, investor confidence, the continued success of our operations and laws that are conducive to our raising capital in this manner. Any unfavourable change to terms of borrowings may adversely affect our cash flows, results of operations and financial conditions. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants and may have to grant security interests over certain of our assets. Further, our exposure to the risk of changes in market interest rates relates primarily to our long-term debt obligations with floating interest rates. Any changes in interest rates may cause variations in interest income and expenses resulting from interest-bearing assets and liabilities.

If we are unable to raise adequate financing in a timely manner and on acceptable terms, or at all, our business, results of operations, cash flows and financial condition could be adversely affected. Further, in the event of a breach of relevant terms of our financing arrangements, we may be required to seek waivers of such breaches, including cross defaults arising from the breach of relevant covenants. We cannot assure you that we will be able to obtain such waivers on satisfactory terms, or at all, and the relevant lenders could, inter-alia, impose penal and default interests, accelerate the maturity of our obligations and declare all amounts payable in respect of the facility to be due and payable immediately or otherwise on demand. In the event of any such acceleration, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash, or if required, sale of our assets. Further, during any period in which we are in default, we may be unable to obtain further financing or any refinancing of our debt could be at higher rates with more onerous covenants.

27. Our Promoters and Promoter Group will continue to hold a majority of our Equity Shares after the Issue and can significantly influence our corporate actions.

As on March 31, 2024, our Promoters and Promoter Group hold 52.93% of our Equity Share capital. For details of risks in relation to the future changes in the shareholding of our Promoters and other major shareholders, please refer to "*–We may, at any time in the future, make further issuances of Equity Shares and this may significantly dilute your future shareholding or our Promoters and other major shareholders may undertake sale of Equity Shares which may affect the trading price of our Equity Shares*" on page 64. One of our Promoters, namely Mahendra Kumar Agarwal and certain members of our Promoter Group, namely Mahendra Kumar Agarwal & Sons HUF, Mahendra Investment Advisors Private Limited, TCI Finance Limited, Bunny Investments & Finance Limited and Jubilee Commercial and Trading Private Limited (the "**Outgoing Promoter and Promoter Group**") are in the process of being reclassified from 'promoter and promoter group' category to 'public' category. The total shareholding of the Outgoing Promoter and Promoter Group is 0.89% as on March 31, 2024.

As such, our Promoters and Promoter Group exercise significant influence over our business, policies and affairs and all matters requiring a shareholders' vote. This concentration of ownership also may delay, defer or prevent a merger, acquisition or change in control of our Company and may make some transactions more difficult or impossible without the support of these Shareholders, which may adversely affect our business. We cannot assure you that the interests of our Promoters and members of our Promoter Group will not conflict with the interest of other Shareholders

28. We have experienced losses during Fiscal 2022 and Fiscal 2023 and may incur losses in the future.

Our ability to operate profitably depends on a number of factors, some of which are beyond our control. The reason for such loss incurred was majorly due to:

In the Financial Year 2022, the Company incurred losses on account of lower volume due to Covid-19 lock down and higher operating costs.

In Financial Year 2023, the Company reported a profit/(loss) before exceptional items and tax of ₹4.34 crores, however, this was negated by higher tax expenses, resulting in profit/(loss) for the year of ₹(10.91) crores.

In Financial Year 2024, the Company reported profit/(loss) before exceptional items and tax of ₹35.55 crores. The loss incurred was primarily driven by lower realization, partially offset by volume gain and lower operating cost. The reported profit/(loss) before exceptional items and tax of ₹35.55 crores before exceptional items was negated by one-off gain arising on account of relinquishing a corporate guarantee given to IDFC Bank Limited on behalf of GI Hydro Private Limited *(formerly GATI Infrastructure Private Limited)* and the disposal of non-core assets.

(in ₹ crores)

Particulars	**For the Fiscal ended**		
	March 31, 2024	**March 31, 2023**	**March 31, 2022**
Profit / (Loss) for the year	6.12	(10.91)	(4.43)

29. Any increase in or realisation of our contingent liabilities could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

As on March 31, 2024, our aggregate contingent liabilities, were ₹ 101.60 crores. The details of our contingent liabilities, as per Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets", which have not been provided for by us at March 31, 2024, as per our financial statements are as follows:

(in ₹ crores)

Particulars	**As at Fiscal 2024**

A. **Contingent Liabilities (to the extent not provided for):**	
(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 ₹ 29.70 crores, previous year - ₹ 29.70 crores)	40.82
ii. Indirect Tax demand disputed in appeals (Includes amount paid under protest ₹ 0.91 crores, previous year - ₹ 0.43 crores)	53.88
iii. Others	6.90

If, for any reason, these contingent liabilities materialize, it may adversely affect our financial condition, cash flows and results of operations. For details of the contingent liabilities of the Company as at March 31, 2024, as per Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets", see *"Financial Information"* beginning on page 242. Additional tax liabilities may arise in the future as our Company is party to certain tax litigations pending before various appellate forums and our Company may also be subject to penalty, which may have a material adverse effect on our results of operations, cash flows and financial condition.

30. We have had negative cash flows from operating, investing and financing activities and may have negative cash flows in the future.

We have experienced negative cash flows in the Fiscal 2022, positive cash flow in Fiscal 2023 and 2024 which have been set out below:

(In ₹ crores)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net Cash Flows generated / (used) from Operating activities **(A)**	72.59	58.18	(6.54)
Net Cash Flows generated / (used) from Investing activities **(B)**	51.83	(16.33)	26.94
Net Cash Flows used in Financing activities **(C)**	(54.72)	(38.73)	(46.93)
Net increase / (decrease) in Cash and Cash Equivalents **(A+B+C)**	69.70	3.12	(26.53)

For details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 85. We cannot assure you that our net cash flows will be positive in the future which could adversely affect our ability to, among others, fund our operations or pay debts in a timely manner.

31. We have delayed payments of certain statutory dues and have also paid interest and fees towards such delayed payments.

Our Company has delayed in making payments of statutory dues which were undisputed under certain statutory provisions. For the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, we have also paid interest and fees towards such delayed payments of certain statutory dues like Profession Tax, Provident Fund, etc., amounting to ₹ nil, ₹ nil and ₹ nil, respectively. While we have paid the dues and no penalties were imposed on our Company, there is no assurance that there will no be any future instance of delays in payment in statutory dues and any prolonged delay in payment of statutory dues may attract penalties from statutory authorities and in turn, our cash flow from operations and financial conditions will be adversely affected to the extent we have to pay interest and penalties on the same.

32. Some of our corporate records are not traceable.

Certain of our Company's corporate regulatory filings and records are not traceable as the relevant information was not available in the records maintained by our Company or on the online portal of the Ministry of Corporate Affairs ("MCA Portal") or in the physical records available at the RoC. Despite conducting internal searches and engaging an independent practicing company secretary, Tarakad Narayanan Kannan (*Certificate of Practice no. 22436*), to conduct a physical search of our records at the RoC, we have not been able to trace the following documents: (i) Form 2 and Form 23 in relation to foreign currency convertible bond ("**FCCB**") issued on June 14, 2017, and August 8, 2017; (ii) challans in relation to the filing of Form 2, Form PAS 3, DIR-3, DIR-12 and Form MGT-14; and (iii) Board and Shareholders' resolution for the issuances of Equity Shares and FCCBs.

We have made disclosure in the "*Capital Structure*" section in relation to the issuance of Equity Shares based on the form filings along with the Board resolutions made available to us, however, there are certain challans which are untraceable for the filing of these forms. We may not be able to furnish any further document evidencing such allotments.

Further, we have intimated the Registrar of Companies, Maharashtra at Mumbai and Registrar of Companies, Telangana at Hyderabad, about untraceable secretarial and other corporate records *vide* our letters dated June 18, 2024. We cannot assure you that the regulatory filings or corporate records which we have not been able to locate will be available in the future, or that the information gathered in this regard is correct, or that the regulatory filings were done in accordance with applicable law or at all or in timely manner. While no legal proceedings or regulatory action has been initiated against our Company or is pending in relation to untraceable secretarial and other corporate records and documents as of the date of this Placement Document, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company or that any fines will be imposed by regulatory authorities on our Company in this respect in the future. Further, the impact of this is not expected to be material.

33. Any damages caused by fraud, theft or other misconduct by our employees could adversely affect our profitability, results of operations and cash flows.

Although we have put measures in place dedicated to monitoring illegal and unethical behavior, fraud, data theft or other misconduct of employees, we run the risk that such employee misconduct could occur. We may be subject to substantial financial losses and damage to our reputation and loss of business from our customers, owing to such employee misconduct. Such misconduct could also involve the improper use or disclosure of confidential information, which could result in regulatory sanctions and serious reputational or financial harm, including harm to our brand/goodwill. We cannot assure you that we will always be able to deter employee misconduct and the precautions taken and systems put in place to prevent and detect such activities may not be effective in all cases. Such instances of employee misconduct could have material adverse impact on our profitability, results of operations and cash flows.

34. We have in the past entered into related party transactions and may continue to do so in the future.

We have entered into transactions with several of our related parties. While we believe that all our related party transactions have been conducted on an arm's-length basis and contain commercial terms, there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Further, any future transactions with our related parties, may potentially involve conflicts of interest. It is likely that we may continue to enter into related party transactions in the future and we cannot assure you that such transactions, individually or in the aggregate, will not adversely affect our financial condition, results of operations and cash flows. For more information on our related party transactions, please see "*Related Party Transactions*" on page 83.

35. Financing agreements entered into by our Material Subsidiary includes certain conditions and restrictive covenants. This may limit the ability of our Material Subsidiary to pursue its business and limit flexibility in planning for, or reacting to, changes in our business or industry.

As of March 31, 2024 we had total current borrowings of ₹ 144.25 crores, on a consolidated basis. The financing agreements entered into by our Material Subsidiary includes certain conditions and restrictive covenants. Apart from the requirement to pay the principal and interest in the manner specified, such agreements also require us to maintain certain financial ratios, ensure our promoters maintain majority control and conform with other similar conditions. The borrowing arrangements entered into by our Material Subsidiary also include certain restrictive covenants such as (a) effecting any change in the shareholding pattern of our promoters. While we have obtained necessary consents from our lenders as required under our loan/financing documentation, for undertaking the Issue and related actions, we cannot assure you that we will be able to obtain such approvals in the future to undertake such activities as and when required or to comply with such covenants or other covenants in the future.

Our inability to comply with the covenants of our financing arrangements could result in occurrence of an event of default, resulting in termination of one or more of our borrowing facilities, acceleration of repayment, levy of penal interest and/or withdrawal of the respective facility sanctioned. In addition, if our liquidity needs, or growth plans, require consents from our lenders and such consents are not obtained, we may be forced to forego or alter our plans, which could materially and adversely affect our financial condition, results of operations and cash flows. The implications of such restrictive covenants could have a material adverse impact on our operations and financial conditions.

36. Our statutory auditors in the past have identified emphasis of matter in their audit report. There can be no assurance that there will be no qualification, adverse remarks or emphasis of matter in our future audit report.

Our erstwhile statutory auditor for Fiscal 2021, Singhi & Co., Chartered Accountants as part of their audit report have identified certain emphasis matters involving (i) Our Company received repayment of loan amount to the tune of ₹5.58 crores during FY 2021-22, balance loan receivable amount of ₹14.43 crores had been provided against during FY 2020-21 and 2021-22 to the extent of ₹ 12.42 crores and ₹2.01 crores respectively, exceeding the limit prescribed under Section 197 read with Schedule V of the Companies Act, 2013 by ₹ 2.75 crores which was subject to necessary approval of the shareholders of the GESCPL for waiver and accordingly no adjustments were made in the financial statements; and (iii) impact of COVID-19 pandemic on the financial results of the Company. While the abovementioned emphasis of matter were resolved we cannot assure you that there will be no qualification, adverse remarks or emphasis of matter in our future audit reports. Further, our statutory auditors have also included statements on certain matters, including, unavailability of title rights, as specified in the Companies (Auditors Report) Order 2020, as amended ("**CARO**"), in their reports included as an annexure to the auditor's report on our Audited Consolidated Financial Statements as of and for the last three Fiscals. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Qualifications, Reservations and Adverse Remarks*" and "*Financial Information*" on pages 118 and 242.

37. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.

Our Company has not declared dividends in the last three Fiscals. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will depend on a number of factors, including but not limited to, our Company's profits after tax during a financial year, cash flow position of our Company, working capital and capital expenditure requirements, future cash requirements for business expansions, organic and/ or inorganic growth, likelihood of crystallization of contingent liabilities, if any, past dividend trends, and other factors considered relevant by our Board. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We cannot assure you that we will be able to pay dividends in the future. For further details, see "*Dividends*" on page 84.

38. This Placement Document contains information from an industry report which we have commissioned from Aviral Consulting Private Limited. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.

This Placement Document includes industry-related information that is derived from an industry report dated June, 2024 titled *"Indian Express Logistics Industry"* ("**Aviral Report**"), prepared and issued by Aviral Consulting Private Limited ("**Aviral Consulting**"), pursuant to an engagement with the Company. Aviral Consulting was appointed by our Company by way of an engagement letter dated February 15, 2024. We commissioned and paid for this report for the purpose of confirming our understanding of the logistics industry in India. Our Company, our Promoters, our Directors, Key Managerial Personnel, Senior Management and our Subsidiaries are not related to Aviral Consulting. Neither we nor the Book Running Lead Managers, nor any other person connected with the Issue has verified such industry related information in the commissioned report. Aviral Consulting has advised that while it has taken reasonable care to ensure the accuracy and completeness of the commissioned report, it believes that the Aviral Report presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and does not purport to be exhaustive, and that the results that can be or are derived from these findings are based on certain assumptions and parameters / conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.

The commissioned report also highlights certain industry and market data, which may be subject to assumptions. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that Aviral Consulting's assumptions are correct or will not change and, accordingly, our position in the market may differ, favourably or unfavourably, from that presented in this Placement Document. Further, the commissioned report is not a recommendation to invest or disinvest in our Company. Prospective Investors are advised not to unduly rely on the commissioned report or extracts thereof as included in this Placement Document, when making their investment decisions.

EXTERNAL RISKS

RISKS RELATING TO INVESTMENT IN INDIA

1. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of RBI will be required. In addition, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from RBI or any other government agency can be obtained on any particular terms or at all.

2. A slowdown in economic growth in India could adversely affect our business, results of operations, financial condition and cash flows and the trading price of the Equity Shares.

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy or the Indian rolling stock could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. In particular, the COVID-19 pandemic caused an economic downturn in India and globally following which there is a global trend of rising inflation and interest rates. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operations, cash flows and financial condition and the trading price of the Equity Shares.

India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly market fluctuations resulting out of war between Russia-Ukraine and Israel-Gaza. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, results of operations, cash flows and financial condition.

Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like application of GST; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions; and other significant regulatory or economic developments in or affecting India.

3. A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.

A decline in India's foreign exchange reserves could impact the valuation of the Indian Rupee and result in reduced liquidity and higher interest rates, which could adversely affect our future financial condition our business, results of operations and cash flows. Flows to foreign exchange reserves can be volatile, and past declines may have adversely affected the valuation of the Indian Rupee. There can be no assurance that India's foreign exchange reserves will not decrease again in the future. Further decline in foreign exchange reserves, as well as other factors, could adversely affect the valuation of the Indian Rupee and could result in reduced liquidity and higher interest rates that could adversely affect our business, financial condition, results of operations and cash flows. While this may be beneficial for our exports, a general decline in the liquidity may have an adverse effect on our results of operations, financial conditions and cash flows.

4. Political instability or significant changes in the economic liberalization and deregulation policies of the Government, or in the government of the States where we operate, could disrupt our business.

We are incorporated in India and derive a significant portion of our revenues in India. In addition, a significant portion of our assets are located in India. Consequently, our performance and liquidity of our Equity Shares may be affected by changes in exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our businesses, and the market price and liquidity of our securities, may be affected by changes in exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments in or affecting India.

In recent years, the Indian governments have generally pursued a course of economic liberalization and deregulation aimed at accelerating the pace of economic growth and development. This has included liberalizing rules and limits for foreign direct investment in a number of important sectors of the Indian economy, including infrastructure, railways, services, pharmaceuticals and insurance. In addition, the Indian government has recently pursued a number of other economic reforms, including the introduction of a goods and services tax, increased infrastructure spending and a new Insolvency and Bankruptcy Code. There can be no assurance that the government’s policies will succeed in their aims, including facilitating high rates of economic growth. Following the release of the results of the last general elections of India the ruling party has received a fresh mandate to continue its tenure for a third term, there can be no assurance that the Government will continue with its current policies. New or amended policies may be unsuccessful or have detrimental effects on economic growth.

A significant change in India’s economic liberalization and deregulation policies, in particular, those relating to the businesses in which we operate, could disrupt business and economic conditions in India generally and our business in particular.

5. Natural disasters, health epidemics, pandemics and other disruptions could adversely affect the Indian economy and could cause our business and operations to suffer and impact the trading price of our Equity Shares.

Natural disasters such as floods, earthquakes, famines and droughts have in the past had a negative impact on the Indian economy. Further, health epidemics and pandemics like the COVID-19 pandemic have also affected the Indian economy negatively. If any such natural disaster, unfavourable climatic changes or health epidemics and pandemics were to occur, our business could be affected due to the event itself or due to the inability to effectively manage the effects of the particular event.

Our operations may be damaged or disrupted as a result of natural disasters such as earthquakes, floods, heavy rainfall, epidemics, tsunamis and cyclones and other events such as protests, riots and labour unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations which may affect business operations. Damage or destruction that interrupts our production could adversely affect our reputation, our relationships with our customers, our senior management team’s ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our infrastructure. We may also be liable to our customers for disruption in supply resulting from such damage or destruction. Our insurance policies for assets covers such natural disasters. However, our insurance policies may not be adequate to cover the loss arising from these events, which could adversely affect our results of operations, cash flows and financial condition and the price of our Equity Shares.

6. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect our business and the Indian financial markets.

India has, from time to time, experienced instances of civil unrest and terrorist attacks. These events could lead to political or economic instability in India and may adversely affect the Indian economy, our business, results of operations, cash flows, financial condition and the trading price of our Equity Shares. India has also experienced social unrest and communal disturbances in some parts of the country. If such tensions occur in places where we operate or in other parts of the country, leading to overall political and economic instability, it could adversely affect our business, results of operations, cash flows, financial condition and the trading price of our Equity Shares.

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business and may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our business and profitability. In addition, in June 2020, a confrontation occurred between Indian and Chinese military forces. Any degradation in India-China political relations, wider international relations or any future military confrontations may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have an adverse impact on us. Regional or international hostilities, terrorist attacks or other acts of violence of war could have a significant adverse impact on international or Indian financial markets or economic conditions or on Government policy. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of the Equity Shares.

7. ***Investors may not be able to enforce a judgment of a foreign court against our Company or our management.***

We are a limited liability company incorporated under the laws of India and all of our Directors and Senior Management Personnel named herein are residents of India and a substantial portion of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors outside of India to effect service of process on our Company or such persons from their respective jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India predicated upon civil liabilities of our Company or such directors and Senior Management Personnel under laws other than Indian law. Recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (the "**Civil Code**") on a statutory basis. Section 13 of the Civil Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of such section, in any country or territory outside India, which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards.

The United Kingdom, Singapore, Hong Kong and the United Arab Emirates have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Code, but the United States has not been so declared. A judgment of a court in a country which is not a reciprocating territory may be enforced in India only by a fresh suit upon the judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to such award and any such amount may be subject to income tax in accordance with applicable laws. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

8. ***Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact our business and the price of our Equity Shares.***

India's sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, all of which are outside our control. Any adverse revisions to India's credit ratings by domestic or international rating agencies may adversely impact our debt ratings, our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial results and business prospects, ability to obtain financing for capital expenditures and the price of our Equity Shares.

9. ***Differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Placement Document.***

Our Financial Statements for the Fiscal 2024, Fiscal 2023 and Fiscal 2022, included in this Placement Document are prepared and presented in accordance with Ind-AS. Ind-AS differs from accounting principles with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Differences exist between Ind-AS, U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Placement Document. Accordingly, the degree to which the financial information included in this Placement Document will provide meaningful information is dependent on the Investor's familiarity with Ind-AS and the Companies Act. Any reliance by persons not familiar with Ind-AS on the financial disclosures presented in this Placement Document should accordingly be limited.

10. ***Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.***

In recent months, consumer and wholesale prices in India have exhibited increased inflationary trends, as the result of an increase in crude oil prices, higher international commodity prices, and higher domestic consumer and supplier prices. The RBI has enacted certain policy measures designed to curb inflation, these policies may not be successful. Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees, raw materials and other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our business, cash flows, results of operations and financial condition.

11. ***Our businesses and activities may be regulated under competition laws in India, and any adverse application or interpretation of such laws could adversely affect our business, cash flows, results of operations and financial condition.***

The Competition Act regulates practices that could have an appreciable adverse effect on competition in the relevant market in India. Any adverse application or interpretation of the Competition Act could adversely affect our business, cash flows, results of operations and financial condition. Under the Competition Act, any arrangement, understanding or action in concert, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and may result in substantial monetary penalties and compensation to be paid to persons shown to have suffered losses. Any agreement among competitors, which, directly or indirectly, determines purchase or sale prices, results in bid rigging or collusive bidding, limits or controls production, supply, markets, technical development, investment or provision of services, or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or types of goods or services or number of customers in the market, is presumed to have an appreciable adverse effect on competition.

Further, the Competition Act prohibits abuse of a dominant position by any enterprise, directly or indirectly, including by way of unfair or discriminatory pricing or conditions in sale of goods or services, limiting production of goods, provision of services, or technical or scientific developments relating to goods or services to the prejudice of consumers, using a dominant position in one relevant market to enter into, or protect, another relevant market, denial of market access, or making the conclusion of contracts subject to acceptance of unrelated supplementary obligations. Such practices are subject to substantial monetary penalties and may also be subject to compensation for losses and orders to divide the enterprise.

If we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, proceedings initiated by the CCI, any claim by any party under the Competition Act, or any adverse publicity due to scrutiny or prosecution under the Competition Act, including financial penalties, our business, cash flows, results of operations and financial condition may be adversely affected.

Acquisitions, mergers and amalgamations that exceed certain revenue and asset thresholds require prior approval by the CCI. Any acquisitions, mergers or amalgamations that have an appreciable adverse effect on competition in India may be subject to remedial measures proposed by the CCI. We cannot assure you that we will be able to obtain approval for any such future transactions on satisfactory terms, or at all.

RISKS RELATING TO OUR EQUITY SHARES AND THIS ISSUE

12. There may be less information available in the Indian securities markets than in more developed securities markets in other countries.

There is a difference between the level of regulation and monitoring of the Indian securities markets and that of the activities of investors, brokers and other participants in securities markets in more developed economies. SEBI is responsible for monitoring disclosure and other regulatory standards for the Indian securities market. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may be less publicly available information about Indian companies than is regularly made available by public companies in more developed countries pursuant to such disclosure requirements, which could adversely affect the market for our Equity Shares. As a result, investors may have access to less information about our business, financial condition, cash flows and results of operation, on an ongoing basis, than investors in companies subject to the reporting requirements of other more developed countries.

13. We may, at any time in the future, make further issuances of Equity Shares and this may significantly dilute your future shareholding or our Promoters and other major shareholders may undertake sale of Equity Shares which may affect the trading price of our Equity Shares.

Any future equity issuances by us, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of our Equity Shares, which may lead to other adverse consequences for us including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception that such issuance or sales of shares may occur, may lead to dilution of your shareholding, significantly affect the trading price of our Equity Shares and our ability to raise capital through an issue of our securities. There can be no assurance that such future issuance by us will be at a price equal to or more than the Issue Price. Further, there can be no assurance that we will not issue further shares or that the major shareholders will not dispose of, pledge or otherwise encumber their shares.

14. An investor will not be able to sell any of the Equity Shares other than on a recognized Indian stock exchange for a period of 12 months from the date of this Issue.

Pursuant to Regulation 178 of the SEBI ICDR Regulations, for a period of 12 months from the date of the allotment of the Equity Shares in the Issue, Eligible QIBs subscribing to the Equity Shares may only sell their Equity Shares on the NSE or the BSE and may not enter into any off-market trading in respect of these Equity Shares. Our Company cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. Further, allotments made to certain categories of Eligible QIBs in the Issue may be subject to the rules and regulations that are applicable to them, including in relation to any lock - in requirements. This may affect the liquidity of the Equity Shares purchased by such investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

15. Holders of our Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, a company incorporated in India must offer holders of its equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares who have voted on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing this Placement Document or registration statement with the applicable authority in such jurisdiction, you will not be able to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

16. The price of the Equity Shares may be volatile.

The Issue Price, which includes a discount of 4.78% amounting to ₹ 5.07 of the Floor Price in accordance with the SEBI ICDR Regulations, will be determined by our Company in consultation with the Book Running Lead Managers, based on the Bids received in compliance with Chapter VI of the SEBI ICDR Regulations, and it may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. The price of the Equity Shares on NSE and BSE may fluctuate after this Issue as a result of several factors, including:

- volatility in the Indian and the global securities market or prospects for our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us;
- volatility in the Rupee's value relative to the U.S. dollar, the Euro and other foreign currencies;
- our Company's profitability and performance;
- a comparatively less active or illiquid market for the Equity Shares;
- significant developments in India's economic liberalization and deregulation policies;
- significant developments in India's fiscal regulations; and
- any other political or economic factors;

We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

17. Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose tax on capital gains arising from the sale of shares of an Indian company.

The Government of India has announced the union budget for the Fiscal 2024, pursuant to which the Finance Bill has introduced various amendments. The Finance Bill has received assent from the President of India on March 31, 2023, and has been enacted as the Finance Act. There is no certainty on the impact of Finance Act 2021 on tax laws or other regulations, which may adversely affect our Company's business, financial condition, cash flows, results of operations or on the industry in which we operate. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

18. Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on BSE and NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

19. Applicants to the Issue are not allowed to withdraw or revise downwards their Bids after the Bid /Issue Closing Date.

In terms of Regulation 179 (1) of the SEBI ICDR Regulations, investors in the Issue are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the investors' demat account with the depository participant could take approximately seven (7) days and up to ten (10) days from the Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in the business, cash flows, results of operation or financial condition of our Company, or other events affecting the investor's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Issue Closing Date could also adversely impact the market price of the Equity Shares. The investors shall not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. We may complete the Allotment of the Equity Shares even if such events may limit the investor's ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

MARKET PRICE INFORMATION

As on the date of this Placement Document, our Company's issued, subscribed and paid-up share capital comprises 13,02,55,164 Equity Shares bearing face value of ₹ 2. The Equity Shares have been listed on BSE since July 12, 2000 and on NSE since October 10, 2006. The Equity Shares are listed and traded on NSE under the symbol ACLGATI and on BSE under the scrip code 532345.

On June 26, 2024, the closing price of the Equity Shares on BSE and NSE was ₹ 110.59 and ₹ 110.54, respectively per Equity Share. Since the Equity Shares are available for trading on the Stock Exchanges, the market price and other information for each of BSE and NSE has been given separately.

(i) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded for Fiscals 2024, 2023, and 2022:

BSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ crores)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ crores)**	**Average price for the year (₹)**
2024	170.65	September 13, 2023	2,59,766	4.38	96.20	March 28, 2024	61,357	0.60	131.26
2023	193.55	September 14, 2022	3,16,267	5.90	99.85	March 27, 2023	1,16,964	1.18	150.48
2022	216.15	January 19, 2022	1,52,243	3.27	94.30	April 19, 2021	28,282	0.27	150.90

(Source: www.bseindia.com)
Notes:
1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

NSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ crores)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ crores)**	**Average price for the year (₹)**
2024	170.40	September 13, 2023	47,24,764	70.79	96.05	March 28, 2024	7,11,189	6.95	131.24
2023	193.35	September 14, 2022	54,41,133	101.84	99.85	March 27, 2023	3,85,491	3.87	150.50
2022	216.50	January 19, 2022	20,06,417	43.12	94.35	April 19, 2021	4,21,821	3.98	150.89

(Source: www.nseindia.com)
Notes:
1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

The following table sets forth the details of the number of Equity Shares traded on the Stock Exchanges and the turnover during Fiscals 2024, 2023 and 2022:

Fiscal	**Number of Equity Shares Traded**		**Turnover (In ₹ crores)**	
	BSE	**NSE**	**BSE**	**NSE**
2024	1,69,76,803	18,39,32,650	227.21	2,521.85
2023	1,74,73,920	13,87,25,809	265.08	2,162.31
2022	4,07,04,300	33,46,56,534	642.73	5,275.74

(Source: www.bseindia.com and www.nseindia.com)

(ii) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded during each of the last six months:

BSE											
Month	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ crores)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ crores)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ in crores)
May 2024	115.4	May 06,2024	1,38,023	1.55	99.15	May 31, 2024	36,588	0.36	106.81	7,92,484	8.56
April 2024	110.38	April 26, 2024	97,633	1.08	99.99	April 01, 2024	70,463	0.70	105.60	7,48,324	7.93
March 2024	117.15	March 2, 2024	2,282	0.03	96.20	March 28, 2024	61,357	0.60	105.40	11,12,053	11.52
February 2024	125.55	February 1, 2024	40,378	0.51	113.70	February 12, 2024	55,397	0.64	120.26	21,43,711	26.76
January 2023	132.40	January 11, 2024	46,542	0.62	122.65	January 24, 2024	38,562	0.47	126.17	20,50,326	25.97
December 2023	144.50	December 19, 2023	92,767	1.34	121.10	December 22, 2023	8,22,363	10.76	131.64	51,37,124	67.75

(Source: www.bseindia.com)

Notes:

1. High, low and average prices are based on the daily closing prices.

2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.

3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

NSE											
Month	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ crores)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ crores)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ in crores)
May 2024	115.41	May 06, 2024	14,93,531	16.82	99.1	May 31, 2024	332795	3.30	106.81	7414507	80.26
April 2024	110.45	April 26, 2024	6,09,649	6.77	100.05	April 1, 2024	458936	4.55	105.61	7070982	74.75
March 2024	117.20	March 2, 2024	40,946	0.48	96.05	March 28, 2024	7,11,189	6.95	105.42	78,86,090	81.85
February 2024	125.70	February 1, 2024	2,08,069	2.61	113.75	February 12, 2024	4,14,680	4.84	118.97	88,15,142	105.57

NSE											
Month	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ crores)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ crores)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ in crores)
January 2024	132.35	January 11, 2024	4,03,879	5.35	122.60	January 24, 2024	2,63,920	3.24	127.53	1,16,41,472	150.27
December 2023	144.55	December 19, 2023	20,87,878	30.21	120.80	December 23, 2023	83,77,525	109.44	134.34	2,15,40,367	285.78

(Source: www.nseindia.com)
Notes:
1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

(iii) The following table sets forth the market price on the Stock Exchanges on December 22, 2023 being the first working day following the approval of our Board for the Issue:

BSE					
Open	High	Low	Close	Number of Equity Shares traded	Volume (₹ in crores)
144.80	148.75	117.60	121.10	8,22,363	10.76

(Source: www.bseindia.com)

NSE					
Open	High	Low	Close	Number of Equity Shares traded	Volume (₹ in crores)
144.90	149.00	117.65	120.80	83,77,525	109.44

(Source: www.nseindia.com)

USE OF PROCEEDS

The Gross Proceeds from the Issue aggregate to ₹ 169.28 crores. Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions, and the estimated expenses of the Issue of approximately ₹ 8.16 crores (including applicable taxes), shall be approximately ₹ 161.12 crores (the "**Net Proceeds**").

Objects of the Issue

Subject to applicable laws and regulations, our Company intends to use the Net Proceeds to finance (in whole or part) one or more, or any combination of the following ("**Objects**"):

(₹ in crores)

Sr. No.	Particulars	Amount which will be financed from Net Proceeds
1.	Investment in our Material Subsidiary for repayment / pre-payment, in part, of certain outstanding borrowings availed by our Material Subsidiary	100.00
2.	Investment in our Material Subsidiary for building new / upgradation of Operating Units	20.00
3.	Investment in our Material Subsidiary for funding the development of our proprietary technology	27.80
4.	**General corporate purposes***	**13.32**
	Total Net Proceeds	161.12

* *The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

The main objects and objects incidental and ancillary to the main objects of the memorandum of association of our Company enable us to undertake (i) existing activities and (ii) the activities proposed to be funded from the Net Proceeds.

Proposed schedule of implementation and deployment of Net Proceeds

(₹ in crores)

Sr. No.	Particulars	Amount to be funded from Net Proceeds	Proposed schedule for deployment of the Net Proceeds	
			Fiscal 2025	Fiscal 2026
1.	Investment in our Material Subsidiary for repayment / pre-payment, in part, of certain outstanding borrowings availed by our Material Subsidiary	100.00	100.00	-
2.	Investment in our Material Subsidiary for building / upgradation of operating units	20.00	10.00	10.00
3.	Investment in our Material Subsidiary for funding the development of our proprietary technology	27.80	15.00	12.80
4.	**General corporate purposes***	**13.32**	**13.32**	**-**

**The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Note: Our Statutory Auditors have provided no assurance or services related to any prospective financial information

Post the completion of the Composite Scheme of Arrangement, the Objects will form a part of one of our Promoters, Allcargo Logistics Limited and the Net Proceeds will continue to be utilised for the specified Objects as stated in the above table. For further details, see section entitled, "*Proposed Amalgamation of Our Company with Allcargo Logistics Limited"* on page 175.

The funding requirements, deployment of funds and the intended use of Net Proceeds indicated above is based on management estimates, current circumstances of our business, our existing business plans, the prevailing market conditions and other commercial and technical factors. Given the nature of our business, we may have to revise our funding requirements and intended deployment schedule on account of a variety of factors such as our financial condition, business strategy, delay in procuring and operationalizing assets or necessary licenses and approvals, and external factors such as market conditions, competitive environment, price fluctuations and interest or exchange rate fluctuations and other external factors which may not be within the control of our management. Depending upon such factors, we may have to reduce or extend the deployment period for the stated objects. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, including the expenditure for a particular purpose, at the discretion of our management, subject to compliance with applicable law. Subject to applicable law, if the actual utilisation towards the Objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds. In case of a shortfall in raising requisite capital from the Net Proceeds, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue, subject to compliance with applicable laws. For further details, see "*Risk Factors - Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a public financial institution or a scheduled commercial bank and our management will have broad discretion over utilization of the Net Proceeds.*" on page 51.

Our Company proposes to deploy the entire Net Proceeds towards the Objects stated above. If the Net Proceeds are not utilized (in full or in part) for the Objects for the period stated above due to any reason, including (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized (in part or full) in subsequent periods in such manner as may be determined by our Company, in accordance with applicable laws. Further, our Company may also utilise any portion of or the entire Net Proceeds, towards the aforementioned Objects, ahead of the estimated schedule of deployment specified above.

Details of the Objects

1. **Investment in our Material Subsidiary for repayment / pre-payment, in part, of certain outstanding borrowings availed by GESCPL**

Our Company proposes to invest up to ₹ 100.00 crores from the Net Proceeds in GESCPL in the form of investment in debt instruments. As of May 31, 2024, GESCPL had total outstanding borrowings of ₹ 139. 50 crores (other than intercorporate deposits of ₹ 34.84 crores). We propose to utilize a portion of the Net Proceeds aggregating to ₹ 100.00 crores for repayment or pre-payment, in part, of certain outstanding borrowings availed by GESCPL.

GESCPL has obtained the necessary consents from the lenders of these borrowings as per the requirements under the borrowing arrangements. Further, pursuant to the terms of the borrowing arrangements, pre-payment of certain indebtedness may attract pre-payment charges as prescribed by the respective lender. Such pre-payment charges, as applicable, will also be funded out of the Net Proceeds and/or internal accruals.

The repayment / pre-payment, in part of certain loans by utilizing the Net Proceeds will help reduce our outstanding indebtedness. Further, we believe it will reduce our debt-servicing costs and improve our debt equity ratio.

Details of utilization

The details of certain outstanding borrowings availed by GESCPL, proposed for repayment or pre-payment, in part, from the Net Proceeds are set forth below:

Sr. No.	Name of Lender	Nature of Borrowing	Sanctioned amount as at May 31, 2024 *(in ₹ crores)*	Amount outstanding as at May 31, 2024 *(in ₹ crores)*	Amount Utilized as at May 31, 2024 *(in ₹ crores)*	Amount proposed to be repaid out of Net Proceeds *(in ₹ crores)*	Interest Rate as of May 31, 2024 *(% p.a)*	Tenor	Repayment Schedule	Purpose of raising the loan	Pre-payment penalty, if any	Whether the loan has been utilized for the purpose for which it was availed[1]
1.	IndusInd Bank Limited	Working Capital	100.00	86.50	86.50	57.00	7.30%	Working capital demand loans of 7 to 30 days	NA	Meeting working capital requirements	Nil	Yes
2.	The Federal Bank Limited	Working Capital	45.00	18.00	18.00	13.00	7.80%	Working capital demand loans of 7 to 30 days	NA	Meeting working capital requirements	Nil	Yes
3.	Bank of Bahrain & Kuwait BSC	Working Capital	45.00	35.00	35.00	30.00	7.50%	Working capital demand loans of 7 to 30 days	NA	Meeting working capital requirements	Nil	Yes
Total				**139.50**	**139.50**	**100.00**						

Notes:

1. *As certified by M/s. MAKK & Co (Formerly known as M/s. R. Jaitlia & Co), Independent Chartered Accountants, by way of their certificate dated June 27, 2024.*

2. Investment in our Material Subsidiary for funding the development of new / upgradation of Operating Units

Our Material Subsidiary in the process of making capital expenditure through purchase of furniture, various equipment and civil work required for proposed expansion required for operating units across various parts of India, for accelerating capacity creation to manage higher loads efficiently, as well as hub modernization and increased automation, with the target of achieving industry-leading turnaround times and improved service levels. For further details, see "*Our Business*" on page 154. The total estimated cost for the upgradation of our Operating Units is ₹ 83.46 crores.

We have obtained quotations amounting to ₹ 83.46 crores for the proposed upgradation, which have been reviewed and certified by way of the revised cost assessment report dated June 26, 2024, issued by Mitesh M. Desai, Chartered Engineer. We intend to utilize ₹ 20.00 crores from the Net Proceeds towards this upgradation and the balance will be funded from the internal accruals of our Company and our Material Subsidiary. Our Company proposes to invest ₹ 20.00 crores from the Net Proceeds in GESCPL in the form of investment in debt instruments.

An indicative list of equipment that is intended to be purchased along with details of the quotations received by GESCPL in this respect are set forth below:

Sr. No.	Item category	Description	Quantity	Amount (in ₹ crores)#	Name of supplier	Quotation date
1.	Computer equipment	The cost for computers also includes local area network cabling, dual band wireless access points, dual band access point networks, dual band access point licences, transceiver module, port GE swiches, module transceiver for ethernet and uninterruptible power supply with battery	1,174	8.65	Focuson Interior Decorators Private Limited	May 15, 2024
2.	Furniture and fixtures	The cost for furniture and fixture includes cupboard, table drawers, bunk bed, mattresses, single bed, supervisor bed, boom barrier, chairs, portable security cabin, sofa, table, dining and kitchen equipment, dining table, workstations, conference table, centre table, tennis table, meeting tables, pigeon holes, reception tables, electrical equipment including switches and access points, document room, printer table, local area network cabling, network cabling, steps iron and iron stool, lockers, mattress, breakout table, sofa side table, television, cupboard, breakout tables with chairs, and water dispenser	6,498	9.80	Focuson Interior Decorators Private Limited	May 15, 2024
3.	Interiors and electrical work	The cost is for the interior work including for furniture and electrical work required at the Operating Units	8,53,853	32.54	Focuson Interior Decorators Private Limited	May 15, 2024
4.	Civil Work	Civil work activities at the operating units (also includes false ceilings, carpentry works, miscellaneous works and electrical works)	51,71,108	10.21	Focuson Interior Decorators Private Limited	May 15, 2024
5.	Office Equipment	The cost for office equipment includes air conditioners, air cooler, geyser, kitchen equipments, RO systems, water coolers, fire alarm, fire extinguisher, wall fan, camera, exide battery, washing machine and water filter.	3,643	6.37	Focuson Interior Decorators Private Limited	May 15, 2024
6.	Plant and Machinery	Weighing Bridge Model MWS2400,100 Ton capacity size 16x3 Mtrs. (including installation, commissioning and stamping)	7	0.78	Digital Weighing Systems Private Limited	May 20, 2024

Sr. No.	Item category	Description	Quantity	Amount (in ₹ crores)#	Name of supplier	Quotation date
		Electro Hydraulic RDL series Hydraulic Dock Leveller Size 2200X2800 MM inclusive of 2 years extended warranty	88	2.90	Gandhi Automations Private Limited	May 20, 2024
		P&M Maintenance Essentials (Basic kit for P&M)	7	0.04	Focuson Interior Decorators Private Limited	May 15, 2024
		250 KVA Distribution Transformer	7	0.74	Kirloskar Electric Company Limited	May 20, 2024
		Organic Waste Converter 350 Kg per day FS035	7	0.57	SMS Hydratech Private Limited	May 15, 2024
		Euro Std Metal Pallets 1200X1000X100 mm	20,592	4.43	Kole Global (India) LLP	May 20, 2024
		Battery Operated Pallet Truck SP20 (1150x520), 2000 Kgs. With charger	73	3.03	Maini Materials Movement Private Limited	May 21, 2024
		HAND PALLET TRUCK PV25 (1150x520) mm, 2500 kilograms.	103	0.19	Maini Materials Movement Private Limited	May 21, 2024
		HAND PALLET TRUCK PV25 (1150x520) mm, 2500 kilograms	498	0.95	Maini Materials Movement Private Limited	May 21, 2024
		Exide Forklift Battery 48V/440 Ah	7	0.15	Mpower India Private Limited	May 20, 2024
		200 KVA Diesel Generator silent with AMF panel	7	0.96	Shyam Global Technoventures Private Limited	May 20, 2024
		250 KVA Diesel Generator silent with AMF Panel	7	1.15	Shyam Global Technoventures Private Limited	May 20, 2024
Total (A)				**83.46**		

#*Exclusive of GST*

(1) *Total estimated cost as per certificate dated June 26, 2024, issued by Mitesh M. Desai, Chartered Engineer.*

If there is any increase in the estimated costs as mentioned above, the additional costs shall be met from our Company's internal accruals or through external borrowings.

We are yet to place orders for most of the aforesaid equipment, plant and machinery (in terms of the aggregate estimated cost of equipment, plant and machinery to be funded through the Net Proceeds), and have obtained quotations from various vendors to this extent.

The quotations received from vendors for the equipment, plant and machinery are valid as on the date of this Placement Document. However, we have not entered into any definitive agreements with the vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment. If there is any increase in the costs of equipment, plant or machinery, the additional costs shall be paid by our Company from its internal accruals or through external borrowings. The number and quantity of equipment, plant or machinery and other materials to be purchased is based on management estimates and our Company shall have the flexibility to deploy such equipment according to the business requirements of such facilities and based on the estimates of our management. No second-hand or used machinery is proposed to be purchased out of the above Issue proceeds.

We shall obtain the applicable approvals in relation to such expansion and modernization, as required under applicable laws.

3. Investment in our Material Subsidiary for funding the development of our proprietary technology

We are in the process of developing our proprietary technology, namely GEMS 2.0. The total estimated cost for the development of GEMS 2.0 is ₹ 30.89 crores *(exclusive of applicable taxes)* of which ₹ 3.08 crores has been paid as an advance to Tech Mahindra Limited by GESCPL and the balance amount of ₹ 27.80 crores will be funded from the Net Proceeds. One of our Promoters (Allcargo Logistics Limited) has entered into an agreement with Tech Mahindra Limited dated March 13, 2023, for developing GEMS 2.0 for GESCPL.

Our Company proposes to invest ₹ 27.80 crores from the Net Proceeds in GESCPL in the form of investment in either equity or debt instruments or in any other manner as may be mutually agreed between our Company and GESCPL in accordance with applicable law. The actual mode of such deployment has not been finalised as on the date of this Placement Document.

GEMS 2.0 will integrate various frontend and backend functionalities such as CRM, finance and other management tools by providing a one click view for performance analysis. For further details, see "*Our Business*" on page 154.

The break-up of the cost is as follows:

Particulars	Description	Amount (in ₹ crores)
Fees to be paid to Tech Mahindra Limited	Study, design, development and implementation, including application security by Tech Mahindra Limited	27.80

4. General Corporate Purposes

The Net Proceeds will first be utilized towards the Objects as set out above. Subject to this, our Company intends to deploy any balance Net Proceeds towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds.

Such general corporate purposes may include, but are not restricted to meeting fund requirements which our Company may face in the ordinary course of business, any strategic initiatives, partnerships, tie-ups, joint ventures or acquisitions, meeting working capital requirements of our Company incurred in the ordinary course of business, meeting exigencies and expenses, logistics expenses, installation expenses, accessories, freight, and any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our Company's management shall have flexibility in utilising surplus amounts, if any, in accordance with applicable law.

Monitoring of utilisation of funds

Pursuant to Regulation 173A of the SEBI ICDR Regulations, our Company has appointed ICRA Limited, a credit rating agency registered with the SEBI, as the monitoring agency ("**Monitoring Agency**") by way of an agreement dated June 14, 2024, as the size of our Issue exceeds ₹ 100 crores. The Monitoring Agency shall submit its report to our Company in the format specified in Schedule XI of the SEBI ICDR Regulations on a quarterly basis, till 100% of the proceeds of the Issue have been utilised. The Board of Directors and the management of our Company will provide their comments on the findings of the Monitoring Agency as specified in Schedule XI. Our Company shall, within 45 days from the end of each quarter, upload the report of the Monitoring Agency on our website and also submit the same to the Stock Exchanges.

The report of the Monitoring Agency shall be placed before our Audit Committee on a quarterly basis, promptly upon its receipt. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects, as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects, as stated above. This information will also be published on our website simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Other confirmations

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised as approved by our Board and/ or a duly authorized committee of our Board, from time to time only for such purposes, as permitted under the Companies Act, prescribed Objects as disclosed above and other applicable laws.

Our Company will have flexibility in deploying the Net Proceeds received by our Company from the Issue in accordance with applicable laws. Pending utilisation for the purposes described above, our Company intends to temporarily invest funds in creditworthy liquid instruments, including money market mutual funds and deposits with banks. Such investments would be in accordance with the investment policies as approved by our Board from time to time and applicable laws.

Subject to applicable laws, our Board shall determine the quantum of Net Proceeds to be deployed by our Company from the Issue, depending on business opportunities or requirements of our Company from time to time.

Neither of our Promoters or our Directors are making any contribution either as part of the Issue or separately in furtherance of the Objects. None of our Promoters or our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel or members of Senior Management (including 'key managerial personnel' under the Companies Act) are not eligible to subscribe in the Issue.

CAPITALISATION STATEMENT

The following table sets forth our capitalization and total borrowings, on a consolidated basis, as of March 31, 2024 which is derived from the Audited Consolidated Financial Statements and adjusted to give effect to the receipt of the gross proceeds of the Issue.

This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Information*" on pages 85 and 242, respectively.

(in ₹ crores, unless otherwise stated)

Particulars	Pre-Issue (as at March 31, 2024) (on a consolidated basis)	Amount after considering the Issue (i.e. Post Issue)#^ (on a consolidated basis)
Current borrowings		
– Secured	144.25	144.25
– Unsecured	Nil	Nil
Current maturities of long-term borrowing/finance lease obligations		
Non-current borrowings		
– Secured	Nil	Nil
– Unsecured	Nil	Nil
Total Borrowing (A)	**144.25**	**144.25**
Equity		
Equity share capital	26.05	29.40
Other equity	609.40	775.33
Non-controlling interest	64.69	64.69
Total Equity (B)	**700.14**	**869.43**
Total capitalization (A+B)	**844.39**	**1,013.68**
Total Borrowing/ Total Equity (A/B)	**0.21**	**0.17**

Notes:

 # As adjusted for the Issue, column reflects changes in the Total Equity only on account of the proceeds from the Issue, i.e., fresh issue of 1,67,60,800 Equity Shares at a price of ₹ 101.00 per Equity Share, including a premium of ₹ 99.00 per Equity Share, resulting in an increase of ₹ 3.35 crores in the equity share capital of the Company and an increase of ₹ 165.93 crores in the securities premium account (included in the 'other equity'). Adjustments do not include Issue related expenses.

^ The Company operates an ESAR scheme. As on March 31, 2024, employees of the Company have been allotted 1,21,910 Equity Shares on exercise of ESAR. As on March 31, 2024, 27,37,500 ESARs granted by the Company are outstanding, of which 8.64,000 ESARs have vested and may be exercised by the employees, and 18,73,500 ESARs are unvested. The adjustments do not reflect the impact of exercise of ESARs post March 31, 2024.

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Placement Document is set forth below:

(in ₹, except share data)

	Particulars	Aggregate nominal value at face value#
A	**AUTHORISED SHARE CAPITAL**	
	17,50,00,000 Equity Shares	35,00,00,000
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**	
	13,02,55,164 Equity Shares	26,05,10,328
C	**PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT**	
	Up to 1,67,60,800 Equity Shares aggregating up to ₹ 169.28 crores(1)	3,35,21,600
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**	
	14,70,15,964 Equity Shares(1)	29,40,31,928
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue	4,22,45,93,151
	After the Issue(2)	5,88,39,12,351

(1) *This Issue has been authorised and approved by our Board of Directors pursuant to its resolution passed on December 21, 2023. The Shareholders of our Company have authorised and approved the Issue by way of a special resolution passed by way of postal ballot dated February 5, 2024.*

(2) *The amount has been calculated on the basis of Gross Proceeds from the Issue.*

Except for securities premium account

Equity Share capital history of our Company

The history of the Equity Share capital of our Company as on the date of this Placement Document is provided in the following table:

Date of allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)*	Nature of consideration	Nature of the allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
April 25, 1995	700	10	10	Cash	Initial subscription to MoA	700	7,000
January 1, 1996	600	10	10	Cash	Rights issue	1300	13,000
September 12, 1998	25,01,899	10	10	Other than Cash	Pursuant to scheme of arrangement	25,03,199	2,50,31,990
February 14, 2000	30,67,801	10	20	Cash	Conversion of convertible warrants	55,71,000	5,57,10,000
October 26, 2000	27,85,500	10	NA	NA	Bonus issue	83,56,500	8,35,65,000
September 14, 2005	41,77,492	10	54	Cash	Rights issue	1,25,33,992	12,53,39,920
January 18, 2006	68,970	10	35.50	Cash	Issued under ESOS-2001	1,26,02,962	12,60,29,620
March 2, 2006	15,71,187	10	423	Cash	Preferential issue	1,41,74,149	14,17,41,490
April 6, 2006	NA	NA	NA	NA	Split of equity share of face value ₹10 to ₹2	7,08,70,745	14,17,41,490

Date of allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)*	Nature of consideration	Nature of the allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
January 20, 2007	5,29,800	2	4,24,800 Equity shares at face value of ₹ 2 and premium of ₹ 5.10 and 1,05,000 Equity Shares at face value of ₹ 2 and premium of ₹ 10.24	Cash	Issued under ESOS Plan-I and ESOS Plan-II	7,14,00,545	14,28,01,090
March 29, 2007	9,85,000	2	84.61	Other than cash	Conversion of warrants	7,23,85,545	14,47,71,090
September 1, 2007	30,86,185	2	84.61	Cash	Conversion of warrants	7,54,71,730	15,09,43,460
December 12, 2007	3,28,950	2	31.20	Cash	Issuance under ESOS-2003 (Plan-3)	7,58,00,680	15,16,01,360
January 21, 2008	22,26,650	2	17,86,800 Equity shares at face value of ₹ 2 and premium of ₹ 123.00, 2,99,850 Equity Shares at face value of ₹ 2 and premium of ₹ 5.10 and 1,40,000 Equity Shares at face value of ₹ 2 and premium of ₹ 10.24	Cash	Conversion of FCCB and ESOS 2001 (Plan-I) and (Plan-II)	7,80,27,330	15,60,54,660
March 31, 2008	24,93,000	2	90.00	Cash	Conversion of warrants	8,05,20,330	16,10,40,660
April 22, 2008	41,35,000	2	90.00	Cash	Issuance under ESOP	8,46,55,330	16,93,10,660
January 20, 2009	2,20,720	2	1,05,000 Equity shares at face value of ₹ 2 and premium of ₹ 10.24 and 1,15,720 Equity Shares at face value of	Cash	Issuance under ESOS-2003 (Plan-II) and (Plan-III)	8,48,76,050	16,97,52,100

Date of allotment	Number of Equity Shares	Face value (₹)	Issue price per Equity Share (₹)*	Nature of consideration	Nature of the allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
			₹ 2 and premium of ₹ 29.20				
December 24, 2009	2,78,850	2	2.00	Cash	Issuance under ESOS-2003 (Plan-III)	8,51,54,900	17,03,09,800
March 31, 2011	8,50,000	2	58.00	Other than cash	Conversion of warrants	8,60,04,900	17,20,09,800
October 14, 2011	36,000	2	35.05	Cash	Issuance under ESOS Plan-VI	8,60,40,900	17,20,81,800
November 1, 2011	5,41,387	2	35.05	Cash	Issuance under ESOS Plan-VI	8,65,82,287	17,31,64,574
February 6, 2014	5,01,900	2	35.05	Cash	Issuance under ESOS Plan-VI	8,70,84,187	17,41,68,374
March 26, 2014	1,79,900	2	35.05	Cash	Issuance under ESOS Plan-VI	8,72,64,087	17,45,28,174
January 24, 2015	2,13,450	2	28.00	Cash	Issuance under ESOS Plan-10	8,74,77,537	17,49,55,074
January 20, 2016	2,45,400	2	28.00	Cash	Issuance under ESOS Plan-10	8,77,22,937	17,54,45,874
April 27, 2016	1,76,217	2	45.60	Cash	Issuance under ESOS Plan-11	8,78,99,154	17,57,98,308
November 4, 2016	1,28,850	2	85.42	Cash	Issuance under ESOS Plan-12	8,80,28,004	17,60,56,008
February 7, 2017	1,54,050	2	28.00	Cash	Issuance under ESOS Plan-10	8,81,82,054	17,63,64,108
May 6, 2017	1,88,316	2	45.60	Cash	Issuance under ESOP Plan-11	8,83,70,370	17,67,40,740
June 14, 2017	99,99,499	2	38.51	Cash	Conversion of FCCBs	9,83,69,869	19,67,39,738
August 8, 2017	98,74,726	2	38.51	Other than cash	Conversion of FCCBs	10,82,44,595	21,64,89,190
November 16, 2017	1,02,200	2	85.42	Cash	Issuance under ESOS Plan-12	10,83,46,795	21,66,93,590
April 10, 2018	1,08,342	2	45.60	Cash	Issuance under ESOS Plan-11	10,84,55,137	21,69,10,274
August 13, 2018	87,000	2	87.13	Cash	Issuance under ESOS Plan-13	10,85,42,137	21,70,84,274
July 13, 2019	70,500	2	85.42	Cash	Issuance under ESOS Plan-12	10,86,12,637	21,72,25,274
January 21, 2020	1,33,33,340	2	75.00	Cash	Preferential issue	12,19,45,977	24,38,91,954
June 17, 2021	10,23,020	2	97.75	Cash	Preferential issue	12,29,68,997	24,59,37,994
November 26, 2022	71,61,120	2	97.75	Cash	Issuance of shares against conversion of warrants	13,01,30,117	26,02,60,234
August 4, 2023	24,866	2	2.00	Cash	Issue under ESAR-2021	13,01,54,983	26,03,09,966
September 2, 2023	19,469	2	2.00	Cash	Issue under ESAR-2021	13,01,74,452	26,03,48,904
November 3, 2023	62,885	2	2.00	Cash	Issue under ESAR-2021	13,02,37,337	26,04,74,674
February 2, 2024	14,690	2	2.00	Cash	Issue under ESAR-2021	13,02,52,027	26,05,04,054
May 16, 2024	3,137	2	2.00	Cash	Issue under ESAR-2021	13,02,55,164	26,05,10,328

**Issuance price is inclusive of face value*

Note: (1) Gati Corporation Limited was a resulting company and the respective demerged company was a listed company by virtue of which the Company got direct listing and there was no initial public offering. The Company was first listed on BSE on July 12, 2000.

(2) We have been unable to trace some of our corporate records in relation to changes in our issued, subscribed and paid-up Equity Share capital for allotments made by our Company. Accordingly, disclosures in this Placement Document have been made in reliance of (i) Form filings (Form 2) filed by the Company as part of allotment compliance. For further details, see "Risk Factor- Some of our corporate records are not traceable", on page 57

(3) We have obtained a PCS search report dated June 18, 2024, issued by Tarakad Narayanan Kanna, practising company secretary in relation to certain forms and resolutions being untraceable.

Except as stated in "– *Equity Share capital history of our Company*" above, our Company has not made any allotment of Equity Shares in the one year immediately preceding the date of this Placement Document, including for consideration other than cash.

Proposed Allottees in the Issue

In compliance with the requirements prescribed under the SEBI ICDR Regulations, Allotment shall be made at the sole discretion of our Company in consultation with the BRLMs to Eligible QIBs. For details of the names of the proposed Allottees and the percentage of the post-Issue Equity Share capital that may be held by them, please see the section titled "*Details of Proposed Allottees*" on page 245.

Pre-Issue and post-Issue shareholding pattern

The following table provides the pre-Issue shareholding pattern as of June 21, 2024 and the post-Issue shareholding pattern:

Sr. No.	Category	Pre-Issue^		Post-Issue	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held	% of shareholding
A.	**Promoters' holding****				
1.	Indian				
	Individual	31,59,420	2.42	31,59,420	2.15
	Bodies corporate	6,57,86,510	50.51	6,57,86,510	44.75
	Sub-total	**6,89,45,930**	**52.93**	**6,89,45,930**	**46.90**
2.	Foreign promoters	0.00	0.00	0.00	0.00
	Sub-total (A)	**6,89,45,930**	**52.93**	**6,89,45,930**	**46.90**
B	**Non-Promoter holding**				
1.	Institutional investors	34,87,388	2.67	2,02,48,188	13.77
2.	Non-Institutional investors				
	Private corporate bodies	35,12,257	2.69	35,12,257	2.39
	Directors and relatives	33,002	0.03	33,002	0.03
	Indian public	3,43,26,856	26.34	3,43,26,856	23.35
	Others including Non- resident Indians (NRIs)	1,99,49,731	15.31	1,99,49,731	13.57
	Sub-total (B)	**6,13,09,234**	**47.07**	**7,80,70,034**	**53.10**
	Grand Total (A+B)	**13,02,55,164**	**100.00**	**14,70,15,964**	**100.00**

^*Based on beneficiary position data of our Company as on June 21, 2024.*
***Includes shareholding of our Promoter Group as well.*

Employee stock option schemes

Allcargo Gati Limited - Employee Stock Appreciation Rights Plan 2021 (Active employee stock option scheme)

Pursuant to the resolutions passed by our Board in consultation with the Nomination and Remuneration Committee of our Company dated December 6, 2021 and by the Shareholders of our Company vide special resolution dated January 27, 2022, our Company approved the Allcargo Gati Limited – Employee Stock Appreciation Rights Plan - 2021 ("**ESAR-2021**") for issue of employee stock appreciation rights ("**ESARs**") to eligible employees up to 42,00,000 ESARs, which may result in issue of not more than 42,00,000 Equity Shares. The primary objective of ESAR-2021 is to reward the employees and to retain and motivate the employees of the Company and its Subsidiaries, as the case may be, by way of rewarding their high performance and motivate them to contribute to the growth and profitability of the Company. The ESAR-2021 is in compliance with the SEBI SBEB Regulations. Our Nomination and Remuneration Committee has during meetings held on March 17, 2022, February 8, 2023, June 1, 2023, July 31, 2023, March 7, 2024 and May 16, 2024, have collectively granted a total of 47,55,000 ESARs to eligible employees pursuant to the ESAR-2021. As of the date of this Placement Document, 1,25,047 Equity Shares have been issued pursuant to the ESAR-2021. The following table sets forth details in respect of the ESAR-2021:

Particulars	ESAR-2021
Maximum number of Equity Shares which may be issued under the scheme	**42,00,000**
Total number of options granted	**47,55,000**
Options lapsed or forfeited	**11,25,000**

Options vested	**14,17,500**
Option exercised	**3,00,000**
Option vested and outstanding	**11,17,500**
Total number of options outstanding	**33,30,000**
Available Pool Balance	**5,70,000**

Other confirmations

(i) Our Equity Shares have been listed for a period of at least one year prior to the date of the issuance of the notice of the postal ballot to our Shareholders, i.e., January 5, 2024, for approving the Issue.

(ii) Except the ESARs which have been granted and ungranted pursuant to the ESAR-2021, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Placement Document.

(iii) Our Company has not allotted securities on preferential basis in the last one year preceding the date of this Placement Document.

(iv) There is no change in accounting policies during the last three years and their effect on the profits and the reserves of the company

(v) As on the date of this Placement Document, our Company does not have outstanding preference shares.

(vi) There would be no change in control in our Company consequent to the Issue.

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of the Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottees for a period of one year from the date of Allotment, except on the Stock Exchanges.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during (i) Fiscal 2024; (ii) Fiscal 2023; and (iii) Fiscal 2022, as per the requirements under Ind AS 24 'Related party disclosures' notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules 2015, as amended and as reported, please see the section titled "*Financial Information*" on page 242.

DIVIDENDS

The declaration and payment of final dividends by our Company, if any, will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act. See *"Description of the Equity Shares"* on page 209.

Our Board may also, from time to time, declare interim dividends. Our Board has approved and adopted a formal dividend distribution policy on May 25, 2021, in terms of Regulation 43A of the SEBI Listing Regulations ("**Dividend Distribution Policy**").

In accordance with the Dividend Distribution Policy, the dividend pay-out shall be determined by our Board after taking into account a number of factors, including but not limited to, internal factors and financial parameters such as cash flow, major capital expenditure, profits earned during the year and available for distribution, working capital requirements of the existing businesses, business expansion and acquisition of businesses, additional investment in subsidiaries and associates, external factors such as cost of external financing, state of economy, capital markets, statutory and regulatory restrictions and other factors that may be considered relevant from time to time.

The following table details the dividend declared and paid or payable by our Company on the Equity Shares for the period concerning April 1, 2024 till the date of this placement document, Fiscal 2024, Fiscal 2023 and Fiscal 2022:

Period	Face Value of Equity Share (in ₹)	Dividend per Equity Share (in ₹)	Total amount of dividend# (in ₹ crores)	Dividend rate (%)
From April 1, 2024 till the date of filing of the PD	2.00	-	-	-
Fiscal 2024	2.00	-	-	-
Fiscal 2023	2.00	-	-	-
Fiscal 2022	2.00	-	-	-

#Including unclaimed dividend.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. The amounts paid as dividends in the past are not necessarily indicative of the Dividend Distribution Policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid in the future or that the amount thereof will not be decreased. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, the factors set out in the Dividend Distribution Policy and such other factors that the Board may deem relevant in its discretion, subject to the approval of our Shareholders.

The Equity Shares to be issued in connection with this Issue shall qualify for dividend including interim dividend, if any, that is declared and record date thereof occurs after the Allotment. See "*Description of the Equity Shares*" on page 209. For a summary of some of the restrictions that may inhibit our ability to declare or pay dividends, See "*Risk Factor – Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.*" on page 59.

Also see "*Risk Factors*" on page 41.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey our management's perspective on our financial condition and operating performance as at and for the Fiscals 2024, 2023 and 2022, including the notes thereto and reports thereon, each included in this document, and our assessment of the factors that may affect our prospects and performance in future periods. Our Audited Consolidated Financial Statements are prepared in accordance with Ind AS, the Companies Act, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Accordingly, the degree to which our Audited Consolidated Financial Statements in this document will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS.

This discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and our financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements. As such, you should also read "Risk Factors" and "Forward-Looking Statements" sections in this document on pages 41 and 15, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

We have included certain non-GAAP financial measures and other performance indicators relating to our financial performance and business in this Placement Document, each of which is a supplemental measure of our performance and liquidity and not required by, or presented in accordance with Ind AS. Furthermore, such measures and indicators are not defined under Ind AS, and therefore should not be viewed as substitutes for performance, liquidity or profitability measures under such accounting standards. In addition, such measures and indicators, are not standardized terms, hence a direct comparison of these measures and indicators between companies may not be possible. Other companies may calculate these measures and indicators differently from us, limiting their usefulness as a comparative measure. Although such measures and indicators are not a measure of performance calculated in accordance with applicable accounting standards, our management believes that they are useful to an investor in evaluating our operating performance.

The fiscal year for our Company, and its Subsidiaries and its Associate ends on March 31 of each year, so all references to a particular "Financial Year", "Fiscal Year" or "Fiscal" are to the 12-month period ended March 31 of that year. Unless otherwise specified, all amounts in this section are stated on a consolidated basis. Further, unless otherwise indicated or unless context requires otherwise, the financial information included herein is based on our Audited Consolidated Financial Statements included in this Placement Document.

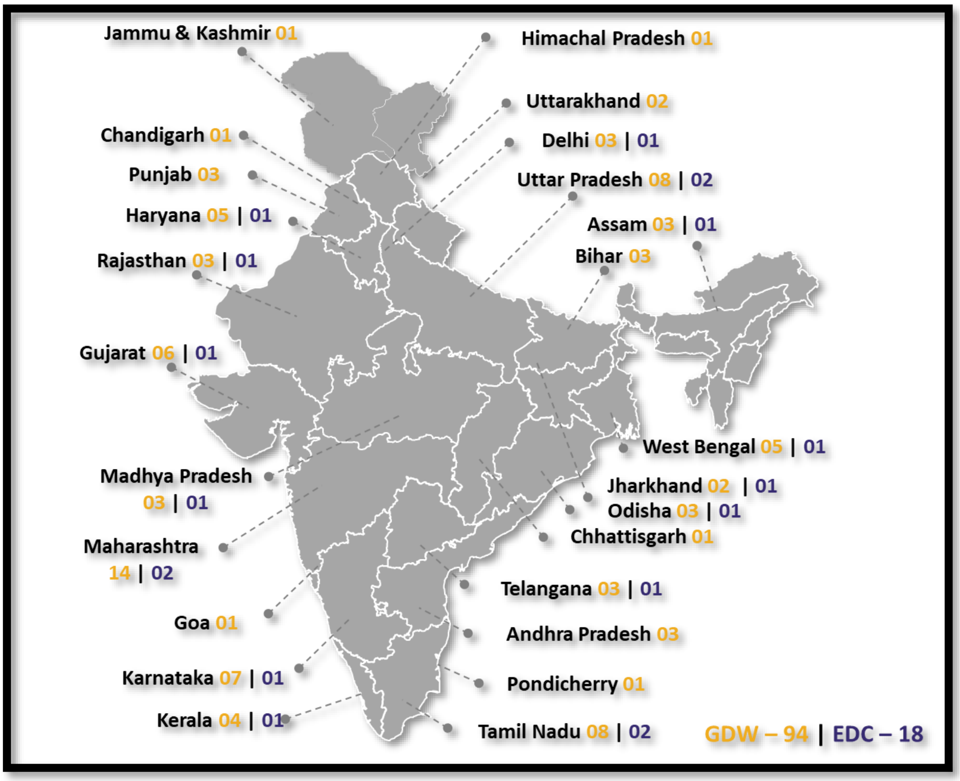
*Unless stated otherwise, statistical information, industry and market data used in this section has been derived from the industry report titled "Indian Express Logistics Industry" dated June, 2024, (the "**Aviral Report**") which is a report exclusively commissioned and paid for by our Company and prepared and issued by Aviral Consulting Private Limited pursuant to an engagement letter dated February 15, 2024 in connection with the Issue.*

In this section, references to "we" and "our" are to our Company, its Subsidiaries and its Associate on a consolidated basis.

OVERVIEW

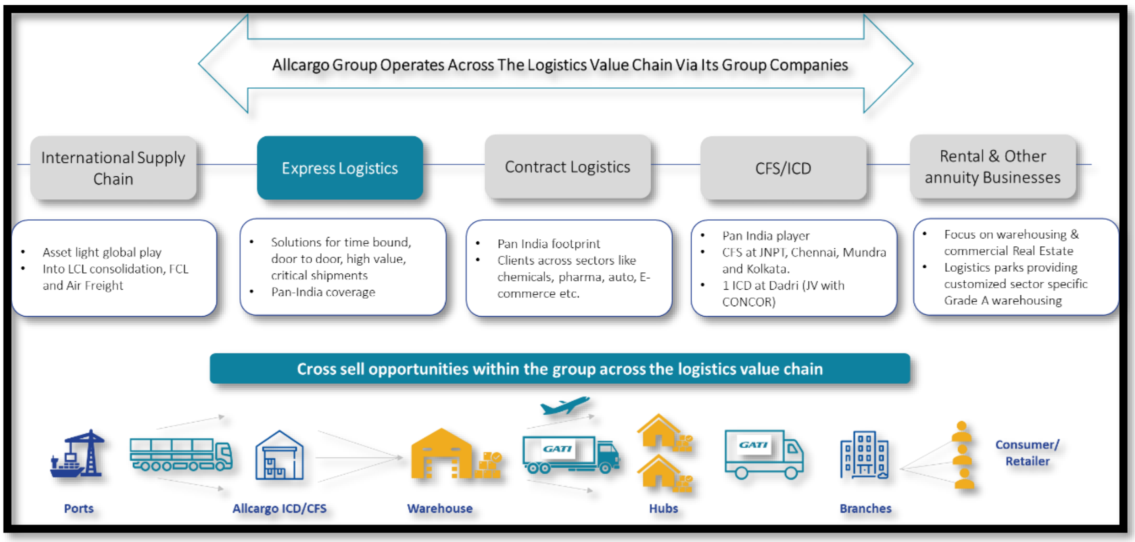
Our Company was incorporated in 1995 and is one of India's oldest and leading express logistics players based on Aviral Report. We are engaged in the business of providing logistics solutions to our clients including express distribution which includes surface distribution and air freight and supply chain management solutions. We have built a pan-India network to carry out our operations covering 99% of districts and government approved pin codes.

We operate a total of 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 as of April 30, 2024 as presented below –



Additionally, we are in the process of upgrading the infrastructure capabilities by setting up new Operating Units and upgrading the infrastructure of the existing Operating Units. Under phase one of this infrastructure upgradation we have set-up six major surface transit centres (Operating Units) which are now operational and under phase two, we propose to upgrade more such major Operating Units. The six new Operating Units are at Farukh Nagar, Nagpur, Mumbai, Indore, Guwahati and Bangalore.

Our Company is part of the Allcargo group of companies ("**Allcargo Group**") which is a logistics conglomerate providing services like less than container load consolidation, full container load, air freight, contract logistics, container freight stations, inland container depots and logistics parks. The chart provided below is a representation of the range of services provided by the Allcargo Group.



Our express distribution services consists of surface express logistics and air express logistics. Our surface express distribution is carried out through a technology enabled tracking system and a network of approximately 5,000 trucks contracted by us to endeavor on-time deliveries as of April 30, 2024. We provide air express distribution across cities of India through our direct tie-ups with few of the major commercial airlines in India. Our express distribution services are customizable as per the customer's requirement.

Our supply chain management solutions provide able management of customers' supply chain. We also provide inventory and purchase order management. Our supply chain management services are customizable as per the requirements of the customer. As on the date of this Placement Document, our Company also owns and operates fuel stations and the revenue from operations in Fiscal 2023 from our fuel station business was ₹ 254.44 crores. However, as part of our corporate strategy of divesting the non-core assets, we have initiated the divestment of these fuel stations which is currently pending approval from oil management companies.

We maintain a long-standing relationship with our clients with engagements ranging up to a decade. Our clients include companies in the automotive industry, pharmaceutical industry, retail/textile industry and e-commerce.

The following table provides a snapshot of our key financial and operational metrics as of and for the respective periods indicated below:

Particulars	**As of and for the Fiscal ended March 31,**		
	2024	**2023**	**2022**
Revenue from operations from express distribution services *(in ₹ crores)*	1,413.44	1,418.95	1,219.52
Revenue from operations express distribution services *(as a % of total revenue from operations)*	83.24	82.35	81.85
Revenue from operations from supply chain management solutions *(in ₹ crores)*	60.89	46.97	39.77
Revenue from supply chain management solutions *(as a % of total revenue from operations)*	3.59	2.73	2.67
Gross profit *(in ₹ crores)*	368.35	415.83	340.83
EBITDA *(in ₹ crores)*	63.41	92.91	49.69
Profit/(Loss) before Exceptional Items and Tax *(in ₹ crores)*	(35.55)	4.34	(12.55)
Express volume *(in kt)*	1,226. 83	1,133.18	972.79
Express volume growth (%)	8.26	16.49	21.67
Delivered in full and on time (%)	89.26	90.17	75.90
Pick-up in full and on time (%)	99.76	97.17	95.66
Cost per kilogram *(₹)*	9.54	9.98	10.05

ACQUISITION OF OUR COMPANY

Our Company was incorporated in 1995 and has completed over three decades as one of India's oldest and leading express logistics company *(Source: Aviral Report)*. Our Company (*erstwhile Gati Limited*) was acquired by Allcargo Logistics Limited with an initial stake of 46.86% in Fiscal 2020 which was further increased to 50.20% in Fiscal 2022 through a mix of primary and secondary purchase of Equity Shares (the "**Acquisition**"). Prior to the Acquisition, during Fiscal 2016 to Fiscal 2020, our Company reported revenue CAGR of 0.66% and EBITDA CAGR of (23.87)% on consolidation basis. Since the Acquisition, the Board has taken several measures to facilitate the growth of our Company.

One of the key changes post the Acquisition for realigning the business was to focus on the divestment of non-core businesses and disposal of non-core assets. Accordingly, our Company exited the non-core businesses such as the cold chain business of our Subsidiary, namely Gati Kausar India Limited and have also initiated the divestment of our fuel station business, which is currently pending approval from oil management companies. Further, in line with our asset-light model we have also sold-off certain non-core assets such as fleet, land and building. The proceeds from the sale of the non-core assets were utilized for reducing debt and clearing contingent liabilities. Post the Acquisition our Company has significantly improved its financial position, reducing net debt on a consolidated basis from ₹395.00 crores in Fiscal 2020 to a cash-positive position of ₹31.14 crores in Fiscal 2024.

BUSINESS OPERATIONS

We are engaged in the business of providing logistics solutions to our clients including express distribution which includes surface distribution and air freight and supply chain management solutions. Our business is based on an asset-light model which has enabled us to utilize our capital towards improving our Operating Units and providing customizable logistical solutions to our clients.

Express distribution

Our express distribution services consist of surface express logistics and air express logistics. Our surface express distribution is carried out through a technology enabled tracking system and a network of approximately 5,000 trucks as of April 30, 2024 were contracted by us to endeavour on-time deliveries. We have built a pan-India network to carry out our express logistics operations covering 99% of districts and government approved pin codes through our 657 offices in India as of April 30, 2024 *(Source: Aviral Report)*. We operate a total of 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 as of April 30, 2024.

We provide air express distribution across cities of India through our direct tie-ups with few of the major commercial airlines in India. Our express distribution services are customisable as per the customer's requirement.

For instance, for one of our clients who wanted to explore eco-friendly logistics solution, we customised a sustainable and eco-friendly express distribution solution which included pick-ups using greener vehicles and local delivery done partly through electronic vehicles.

Supply chain management solutions

Our supply chain management solutions provide management of customers' supply chain through our technology enabled fulfilment centres. We also provide inventory and purchase order management. Our supply chain management services are customizable as per the requirements of the customer.

For instance, we have in the past assisted an Indian corporate by offering customised technological solution for improving inventory management and service levels and was done by assigning a dedicated team by us for the client. The services provided by us included (i) an API rollout to integrate the systems of the client, (ii) providing in-plant support and key responsibility area tracking to improve service levels, (iii) providing dedicated customer service, and (iv) setting up thermal printers for label printing and hand-held terminals for scanning of dockets.

SIGNIFICANT FACTORS AFFECTING OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We believe that the following factors have significantly affected our results of operations and financial condition during the periods under review, and may continue to affect our results of operations and financial condition in the future:

Relationship with and dependence on key customers

We derive a significant portion of our revenue from our top 20 customers. We provide our services to clients across various industry sectors such as automotive, pharmaceuticals, textile and e-commerce. We believe that our execution capabilities and service quality standards has resulted in engagements with our key clients. Our business operations are highly dependent on our top customers, which exposes us to a high risk of customer concentration.

The following table summarizes the revenue proportion of our top customers for the respective period:

	Revenue from operations*					
	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ crores)	%	Amount (in ₹ crores)	%	Amount (in ₹ crores)	%
Top 5 customers	164.91	11.15	146.24	9.96	80.59	6.49
Top 10 customers	256.68	17.36	224.93	15.31	137.55	11.08
Top 20 customers	368.65	24.93	330.36	22.49	216.82	17.46

* *The revenue figures in the table above are from GESCPL, the Material Subsidiary of our Company. Additionally, the top customers included in the above table have been identified basis individual contracts entered into with such identified customers.*

Our success depends on our ability to generate repeat customers and increase the volume of our business from our existing customers. This requires us to continuously improve our existing offerings, offer more cost effective and high-quality logistics services and introduce new innovative solutions and services that meet evolving market trends and satisfy changing customer demands and business needs. Most of our customer contracts for our express logistics business and our supply chain management business are for short-term arrangements with a term ranging from one to three years and the customer contracts for our supply chain management business is for a period ranging from two to four years. Moreover, we face competition from competitors in the domestic transportation industry. The major players of the organized B2B express logistics industry account for almost 55%-60% of market which includes apart from our Company, Blue Dart, Delhivery, Safexpress and TCI-Express. Apart from the aforementioned companies, other organized B2B express players includes few integrated logistics service providers like DP World Express, Rivigo by Mahindra, and e-com logistics service provider like Xpress bees. (*Source: Aviral Report*).

Our key competitive strengths include our integrated multi-modal transportation network comprising surface and air transportation, helps to ensure timely deliveries across India. We have built a pan-India network to carry out our operations covering 99% of districts and government approved pin codes *(Source: Aviral Report)*. In addition to the above, we believe that the principal competitive factors include service quality, reliability, price and the ability to understand evolving industry trends as well as the ability to anticipate, understand and address client requirements

The demand from our customers determines our revenue levels and results of operations, and our revenue are directly affected by activities of our customers. Increased revenue by our customers tends to increase our revenue and results of operations, while a slow-down in demand for our customers' products tends to have an adverse impact on our revenues and results of operations. Accordingly, we believe that, our operations have generally grown with our customers' businesses over time. Our customers, in turn, are dependent on general trends in the logistics industry. See, "*– Macro-economic conditions and factors affecting the sectors in which we operate*" on page 90.

Providing scalability and capital efficiency by operating on an asset-light business model

Our express logistics and supply chain business is primarily based on an asset-light business model wherein majority of our assets have been leased from third parties including our Operating Units and even the trucks used by us. Over the years we have built long-standing relationships with our business partners who provide us with the operating assets required for our business, which enables us to have an asset-light model and allows us to offer a variety of flexible, scalable, solutions and services based on our clients' requirements and efficiently handle operational difficulties.

While this business model also allows us to manage any fluctuations in demand more efficiently and minimize any adverse effects resulting from cyclical movements as the shipments are managed through third party network partners and the requirement of warehouses and trucks can be adjusted based on the demand which has resulted in improvements in our profitability, however, we may not have any control over the servicing and maintenance of these transport assets and any nonavailability or delays in obtaining transport assets or breakdowns, on-road repairs or service interruptions may result in loss of orders or delays in delivery of goods, any of which could lead to client dissatisfaction and loss of business. See, "*Risk Factors – We depend on our business partners, third-party service providers and vendors/suppliers in certain aspects of our operations and unsatisfactory services provided by them or failure to maintain relationships with them could disrupt our operations*" on page 50.

Continued investment in our business to streamlining operations

Undertaking timely and adequate investments to improve the infrastructure and technology increases our ability to provide sophisticated and customized solutions to our customers. Such investments have a direct impact on our operating efficiency and hence determine the future growth of our result of operations and cost base and impacts our profitability.

Key elements of our investments in our business include:

<u>Network infrastructure investments</u> – We are in the process of expanding our infrastructure capabilities by setting up new Operating Units and upgrading the infrastructure of the existing Operating Units. The infrastructural upgrades implemented so far at our Operating Units have assisted in reducing the operational difficulties and thereby reducing the overall turnaround time.

<u>Technology and Digitization investments</u> – We intend to continue our focus on automation of our operations for improving overall customer experience. We have initiated the automation of our Operating Units through software for management of the dock and workforce and smart loading basis the route/ vehicle. We also intend to have a network decision support system in place for centralized control centre, bay management and real time hub or network performance. In order to enhance the experience of the customers we have initiated upgradation of our core operating system by partnering with a technology company. This new technology, being GEMS 2.0, will integrate various frontend and backend functionalities such as CRM, finance and other management tools by providing a one click view for performance analysis. We intend to utilise the Issue proceeds towards developing GEMS 2.0 and for further details see "*Use of Proceeds*" on page 70.

Macro-economic conditions and factors affecting the sectors in which we operate

Demand for our services has benefited from the growth of India's GDP and the logistics industry in particular. According to the Aviral Report, Indian GDP reached to $ 3.7 trillion in 2023 with a growth rate of 6.3% over previous year and is expected to grow at 6.7% in 2024. Growth of economy always coupled with growth of logistics and supply chain. In order to improve Indian logistics and supply chain, many initiatives have been taken by Government, the prime one was the grant of infrastructure status to logistics, which enabled easier lending to sector and wider access to funds. The global express market was estimated to be around $ 300 Bn in 2023, while the Indian domestic express market is worth around $ 6 Bn in FY 23, as per the Aviral Report. According to the Aviral Report, Indian express logistics market, which is estimated to be more than $7 Bn per annum, comprises of domestic and international B2B surface express, B2B air express, B2C (e-commerce) and document movement and the domestic express logistics market is estimated to reach a size of $14 Bn by FY28. Further as per the Aviral Report and as per industry estimates the global contract logistics market was valued at $280 billion in 2023 and is projected to reach more than $500 billion by 2031, growing at a CAGR of 7.5% from 2024 to 2031. As per industry estimates, the Indian supply chain solution market was value at $12 billion in FY 23 and is projected to grow at a CAGR of 13-14% per annum to reach $23 billion by end of FY28.

See "*Industry Overview*" on page 134, for a discussion of macroeconomic conditions in the global economy and Indian economy, respectively, and a more detailed description of the logistics industries in the markets in which we operate.

OUR MATERIAL ACCOUNTING POLICIES

Below are the material accounting policies for Fiscal 2024 used for the preparation of the Audited Consolidated Financial Statements:

1. **Property, Plant and Equipment**

1.1. ***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 Group depreciates them separately based on their specific useful lives.

1.2. ***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.

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

Assets held for sale and disposal Groups are measured at the lower of their carrying amount and fair value less cost to sell. Assets held for sale are no longer amortised or depreciated from the date of classification.

1.4. ***Subsequent Expenditure:***

- Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the cost incurred will flow to the Group 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 equipments and servicing equipments 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.

1.5. ***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
Commercial Vehicles	8
Furniture and fixtures	10
Vehicles - Cars	8
Computers	3 to 6
Office equipment	3 to 5

- Freehold land is not depreciated.

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

- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate.

- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (upto) the date on which asset is ready for use (disposed off).

1.6. ***De-recognition Assets:***

An item of PPE 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. **Intangible Assets:**

2.1. Intangible assets are stated at acquisition cost net of accumulated amortisation and cumulative impairment, if any. The Group capitalizes identifiable costs relating to development of internally generated software and these are stated net of accumulated amortisation. Estimated economic useful lives of the intangible assets is 3 to 6 years. Intangible assets are amortised on straight line basis over its estimated useful life.

2.2. Intangible assets under development comprise costs relating to development of software that are not yet ready for their intended use as at the balance sheet date. The carrying amount of the intangible asset is derecognized on disposal or when no future economic benefit is expected from its use. Any gain or loss is recognised in the statement of profit and loss.

3. **Leases:**

The Group 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.

3.1. ***Group as a lessee***

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

3.1.1. *Right-of-use assets ("**ROU Assets**")*

The Group recognises ROU Assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU Assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of ROU 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. ROU Assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The estimated useful life of ROU Assets range from one to seven years.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The ROU Assets are also subject to impairment. Refer to the accounting policies in Note 4 'impairment assets'.

3.1.2. *Lease liabilities*

At the commencement date of the lease, the Group 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group 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.

3.1.3. *Short-term leases and leases of low-value assets*

The Group 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.

4. **Impairment of assets:**

4.1. The Group assesses at each reporting date whether there is any indication that an asset, may be impaired. If any indication exists, the Group 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 profit and loss and remaining amount transferred to reserves.

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

4.3. 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.

4.4. 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.

4.5. 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.

4.6. 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. 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.

5. **Foreign currency Transactions:**

5.1. The financial statements are presented in Indian Rupee (INR), which is the functional and presentation currency of the Group.

5.2. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction.

5.3. At each balance sheet date, foreign currency monetary items are restated using the closing exchange rate.

5.4. Any exchange difference on account of settlement of foreign currency transactions and restatement of monetary assets and liabilities denominated in foreign currency is recognised in the statement of profit and loss.

5.5. 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.

5.6. On consolidation of Subsidiaries, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in profit or loss.

6. **Inventories:**

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

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

7. **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 Group as part of the contract. The variable consideration is estimated based on the expected value of outflow.

7.1. ***Freight services:***

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

The revenue corresponds to the transaction price to which the Group 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 Group 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.

7.2. ***Sales of Fuel:***

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

7.3. ***Others:***

7.3.1. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and amount of income can be measured reliably.

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

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

8. **Trade receivables:**

A receivable represents the Group'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.

9. **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.

9.1. ***Financial assets:***

9.1.1. *Initial recognition and measurement:*

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

- amortised 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 Group changes its business model for managing financial asset. In the case of financial assets, not recorded at FVTPL, financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

9.1.1.1. <u>Financial assets at amortized cost:</u>

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

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

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

The effective interest rate ("**EIR**") amortisation is included in finance income in the statement of profit and loss. This category generally applies to long-term deposits and long-term trade receivables.

9.1.1.2. <u>Financial assets at fair value through other comprehensive income ("**FVOCI**"):</u>

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

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

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

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

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

9.1.1.3. <u>Financial assets at fair value through profit or loss ("**FVTPL**"):</u>

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

9.1.2. *Subsequent measurement*

For purposes of subsequent measurement:

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

An investment in associates is carried at cost in separate financial statements.

9.2. ***Financial Liability:***

Financial liabilities are classified and measured at amortised cost or FVTPL

9.2.1. *Initial Recognition & subsequent measurement:*

9.2.1.1. 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 recognised in statement of profit and loss.

9.2.1.2. Financial liabilities at amortised cost:

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

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognized as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

9.2.2. *Financial guarantee liability:*

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

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

9.3. ***Impairment of Financial Assets:***

In accordance with Ind AS 109, the Group 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 Group follows ‘simplified approach’ for recognition of impairment loss allowance on trade receivables.

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

As a practical expedient, the Group 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.

9.4. ***Derecognition:***

9.4.1. *Financial Assets:*

The Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

9.4.2. *Financial liabilities:*

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

9.5. ***Offsetting:***

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet, when and only when, the Group 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.

10. **Fair Value measurement:**

A number of the Group accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities. The Group 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 Group 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 recognised in the financial statements on a recurring basis, the Group 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.

11. **Employee benefits:**

11.1. ***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.

11.2. ***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 Group makes specified monthly contributions of employee provident fund to Government administered provident fund and Employee State Insurance Scheme ("**ESIC**") 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.

11.3. ***Defined benefit plan:***

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

The Group's gratuity benefit scheme is a defined benefit plan. The Group'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 Group, 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 Group 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 Group 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 Group. 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.

11.4. ***Compensated absences:***

As per policy of the Group, 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 Group 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 Group'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.

11.5. ***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 Group 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.

12. **Exceptional items**

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

13. **Taxes:**

13.1. ***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.

13.1.1. *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.

13.1.2. *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.

13.2. ***GST/ value added taxes paid on acquisition of assets or on incurring expenses:***

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

Where receivables and payables are stated with the amount of tax included.

14. **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.

15. **Provisions and Contingencies:**

Provisions are recognised when the Group 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 Group. Such liabilities are disclosed by way of notes to the financial statements.

16. **Borrowing cost:**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset.

Other borrowing costs are recognised as an expense in the period in which they are incurred.

Where there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.

17. **Share based payments:**

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

The fair value of option at the grant date is expensed over the vesting period with a corresponding increase in equity as “share option outstanding account”. In case of forfeiture of unvested option, portion of amount already expensed is reversed. In a situation where the vested option forfeited or expires unexercised, the related balance standing to the credit of the “share option outstanding account” are transferred to the “general reserve”.

When the options are exercised, the Group issues new fully paid up equity shares of the Group. The proceeds received and the related balance standing to credit of the share option outstanding account, are credited to equity share capital (nominal value) and securities premium.

18. **Segment Reporting:**

Segments are identified based on the manner in which the chief operating decision maker ("**CODM**") decides about resource allocation and reviews performance. Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property and equipment and intangible assets other than goodwill.

19. **Investment in Associate:**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date.

The value of investment in associate had been fully provided in the books of accounts.

20. **Earnings per share:**

20.1. ***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 of the holding company by the weighted average number of equity shares outstanding during the period.

20.2. ***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.

21. **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

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Income

We derive our total income from our revenue from operations and other income.

Revenue from operations

Our revenue from operations consists of (i) sale of services; (ii) sale of products; and (iii) other operating revenue.

Sale of services consists of freight, e-commerce and miscellaneous services.

Sale of products consists of sale of diesel, petrol and lubricants.

Other operating revenue consists of management fee from Subsidiaries.

Other income

Our other income consists of: (i) interest income on deposit with bank; (ii) interest income on inter corporate deposits; (iii) interest income on refund of Income Tax; (iv) interest income on unwinding of interest income; (v) rental income; (vi) net gain on sale of investments; (vii) liabilities no longer required written back; (viii) net gain on sale of mutual funds; (ix) net gain on investments measured at FVTPL; and (x) net miscellaneous income.

Expenses

Our expenses consist of the following: (i) operating expenses; (ii) purchase of stock-in-trade; (iii) changes in inventories of stock-in-trade; (iv) employee benefits expense; (v) finance costs; (vi) depreciation and amortization expense; and (vii) other expenses.

Operating expenses consists primarily of freight and other operating expenses.

Employee benefits expense consists of: (i) salaries, wages and bonus; (ii) contribution to provident and other funds; (iii) staff welfare expenses; and (iv) share based payment expenses.

Finance costs consists of: (i) interest expenses on term loans and working capital facilities; (ii) interest expenses on public deposits; (iii) interest expenses on lease liabilities; and (iv) others.

Depreciation and amortization expense consists of: (i) depreciation on property, plant and equipment; and (ii) depreciation on right of use asset.

Other expenses consists of: (i) rent; (ii) rates and taxes; (iii) repairs and maintenance; (iv) insurance; (v) telephone expenses; (vi) printing and stationery; (vii) travelling expenses; (viii) electricity; (ix) professional and legal expenses; (x) bank collection charges; (xi) corporate social responsibility expenditure; (xii) directors sitting fees; (xiii) remuneration to auditors; (xiv) allowance for expected credit loss; (xv) bad debts and irrevocable balances written off; (xvi) management fee; (xvii) allowance for capital advances and others; (xviii) net foreign exchange loss; (xix) net loss on disposal of property, plant and equipment; (xx) net loss on disposal of non-core assets; and (xxi) net miscellaneous expenses.

Taxation

Taxes mainly comprise of current tax, deferred tax and tax adjustment of earlier years.

OUR RESULTS OF OPERATIONS

The following tables set forth our selected financial information for Fiscals 2024, 2023 and 2022 the components of which are also expressed as a percentage of total income for such years:

Particulars		Fiscal 2024		Fiscal 2023		Fiscal 2022	
		Amount (in ₹ crores, unless otherwise stated)	**% of total income**	**Amount (in ₹ crores, unless otherwise stated)**	**% of total income**	**Amount (in ₹ crores, unless otherwise stated)**	**% of total income**
I	**INCOME**						
	Revenue from operations	1,697.99	99.33	1,723.17	98.69	1,489.94	98.96
	Other income	11.51	0.67	22.87	1.31	15.30	1.02
	TOTAL INCOME (I)	**1,709.50**	**100.00**	**1,746.04**	**100.00**	**1,505.24**	**100.00**

	Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
		Amount (in ₹ crores, unless otherwise stated)	% of total income	Amount (in ₹ crores, unless otherwise stated)	% of total income	Amount (in ₹ crores, unless otherwise stated)	% of total income
II	**EXPENSES**						
	Operating expenses	1,116.25	65.30	1,059.54	60.68	926.96	61.58
	Purchase of stock-in-trade	213.10	12.47	247.44	14.17	221.62	14.72
	Changes in inventories of stock-in-trade	0.29	0.02	0.36	0.02	0.53	0.04
	Employee benefits expense	177.26	10.37	188.15	10.78	158.05	10.50
	Finance costs	30.02	1.76	29.36	1.68	27.32	1.81
	Depreciation and amortization expense	68.94	4.03	59.21	3.39	34.92	2.32
	Other expenses	139.19	8.14	157.64	9.03	148.39	9.86
	TOTAL EXPENSES (II)	**1,745.05**	**102.08**	**1,741.70**	**99.75**	**1,517.79**	**100.83**
III	**PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)**	**(35.55)**	**(2.08)**	**4.34**	**0.25**	**(12.55)**	**(0.83)**
IV	**EXCEPTIONAL ITEMS**	**34.49**	**2.02**	**0.96**	**0.05**	**12.05**	**0.80**
V	**PROFIT / (LOSS) BEFORE TAX (III + IV)**	**(1.06)**	**(0.06)**	**5.30**	**0.30**	**(0.50)**	**(0.03)**
VI	**TAX EXPENSES**						
	Current Tax	2.35	0.14	13.13	0.75	2.31	0.15
	Deferred Tax	(8.95)	(0.52)	3.47	0.20	(2.42)	(0.16)
	Tax related to earlier years	(0.58)	(0.03)	(0.39)	(0.02)	4.04	0.27
VII	**PROFIT/(LOSS) FOR THE YEAR (V-VI)**	**6.12**	**0.36**	**(10.91)**	**(0.62)**	**(4.43)**	**(0.29)**
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	(1.51)	(0.09)	(8.13)	(0.47)	(4.25)	(0.28)
	b) Income tax effect on above item	0.38	0.02	2.01	0.12	1.05	0.07
	OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX)	**(1.13)**	**(0.07)**	**(6.12)**	**(0.35)**	**(3.20)**	**(0.21)**
IX	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VII+VIII)**	**4.99**	**0.29**	**(17.03)**	**(0.98)**	**(7.63)**	**(0.51)**
X	**Profit/(Loss) for the Year**	**6.12**	**0.36**	**(10.91)**	**(0.62)**	**(4.43)**	**(0.29)**
	Attributable to:						
	- Owners of the company	14.53	0.85	(9.28)	(0.53)	8.87	0.59
	- Non-Controlling Interest	(8.41)	(0.49)	(1.63)	(0.09)	(13.30)	(0.88)
	Other Comprehensive income for the Year	**(1.13)**	**(0.07)**	**(6.12)**	**(0.35)**	**(3.20)**	**(0.21)**
	Attributable to:						
	- Owners of the company	(0.79)	(0.05)	(4.33)	(0.25)	(2.26)	(0.15)
	- Non-Controlling Interest	(0.34)	(0.20)	(1.79)	(0.10)	(0.94)	(0.06)
	Total Comprehensive income for the Year	**4.99**	**0.29**	**(17.03)**	**(0.98)**	**(7.63)**	**(0.51)**

Particulars		Fiscal 2024		Fiscal 2023		Fiscal 2022	
		Amount (in ₹ crores, unless otherwise stated)	% of total income	Amount (in ₹ crores, unless otherwise stated)	% of total income	Amount (in ₹ crores, unless otherwise stated)	% of total income
	Attributable to:						
	- Owners of the company	13.74	0.80	(13.61)	(0.78)	6.61	0.44
	- Non-Controlling Interest	(8.75)	(0.51)	(3.42)	(0.20)	(14.24)	(0.95)
	Earnings per Equity Share (in ₹)						
	- Basic (in ₹)	1.12	N.A.	(0.74)	N.A.	0.72	N.A.
	- Diluted (in ₹)	1.12	N.A.	(0.74)	N.A.	0.71	N.A.

Fiscal 2024 compared to Fiscal 2023

Income

Our total income decreased by 2.09% to ₹ 1,709.50 crores in Fiscal 2024 from ₹ 1,746.04 crores in Fiscal 2023, primarily on account of the factors discussed below.

Revenue from operations

Our total revenue from operations decreased by 1.46% to ₹ 1,697.99 crores in Fiscal 2024 from ₹ 1,723.17 crores in Fiscal 2023, primarily as a result of decrease in the sales of our products and services during this period.

Revenue from sale of services

Our revenue from sale of services increased by 0.64% to ₹ 1,472.39 crores in Fiscal 2024 from ₹ 1,463.00 crores in Fiscal 2023. The increase was primarily due to the growth in our express logistics business housed under Gati Express & Supply Chain Private Limited, which recorded revenue of ₹1,478.59 crores, up from ₹1,468.87 crores in the previous year. This growth was driven by an 8.30% increase in total volume (surface plus air express), improving from 1,133 kt to 1,227 kt. Approximately 91.06% of Gati Express & Supply Chain Private Limited's revenue came from the surface express business, with 4.89% from air express and the remaining is from supply chain management business. This increase in volume in the express business was offset by lower realisation.

Revenue from sale of products

Our revenue from sale of products decreased by 13.87% to ₹ 219.15 crores in Fiscal 2024 from ₹ 254.44 crores in Fiscal 2023, primarily due to lower volumes driven by increased competition in the local market.

Other operating revenue

Our other operating revenues increased by 12.57% to ₹ 6.45 crores in Fiscal 2024 from ₹ 5.73 crores in Fiscal 2023, primarily as a result of increase in income from management fees from related companies.

As a percentage of total income, our revenue from operations was 99.33% in Fiscal 2024 as compared to 98.69% in Fiscal 2023.

Other income

Our other income decreased by 49.67% to ₹ 11.51 crores in Fiscal 2024 from ₹ 22.87 crores in Fiscal 2023. This decrease was primarily due to lower one-off liabilities no longer required being written back (mainly the reversal of provisions for liabilities as per Ind AS 115 and the reversal of operating liabilities) in the current financial year compared to the previous fiscal year. This was partially offset by an increase in interest income on deposits with banks and others.

As a percentage of total income, our other income decreased to 0.67% in Fiscal 2024 from 1.31% in Fiscal 2023.

Expenses

Our total expenses increased by 0.19% to ₹ 1,745.05 crores in Fiscal 2024 from ₹ 1,741.70 crores in Fiscal 2023 for the reasons as discussed below.

As a percentage of our total revenue, our total expenses was 102.08% in Fiscal 2024 as compared to 99.75% in Fiscal 2023.

Operating expenses

Our operating expenses increased by 5.35% to ₹ 1,116.25 crores in Fiscal 2024 as compared to ₹ 1,059.54 crores in Fiscal 2023. This increase was primarily due to higher volumes as explained above in revenue from operation which got partially offset by saving in cost of first mile, mid mile and last mile operations on account of various cost improvement initiatives.

As a percentage of total income, our operating expenses was 65.30% in Fiscal 2024 as compared to 60.68% in Fiscal 2023.

Purchase of stock-in-trade

Our purchase of stock-in-trade decreased by 13.88% to ₹ 213.10 crores in Fiscal 2024 from ₹ 247.44 crores in Fiscal 2023. This decrease was due to decline in the revenue of the fuel station business segment.

Changes in inventories of stock-in-trade

Our opening stock of stock-in-trade was ₹ 2.44 crores for the year ended March 31, 2024, while it was ₹ 2.80 crores for the year ended March 31, 2023.

Our closing stock of stock-in-trade was ₹ (2.15) crores for the year ended March 31, 2024, while it was ₹ (2.44) crores for the year ended March 31, 2023.

Changes in inventories of stock-in-trade was ₹ 0.29 crores for the year ended March 31, 2024, while it was ₹ 0.36 crores in Fiscal 2023. This decrease was due to decline in sales volumes in fuel station business segment and optimized inventory management.

Employee benefit expense

Our employee benefit expense decreased by 5.79% to ₹ 177.26 crores in Fiscal 2024 from ₹ 188.15 crores in Fiscal 2023. This decrease was primarily due to an increase in the outsourced workforce, which rose to 671 as of March 31, 2024, from 347 as of March 31, 2023. The costs associated with the outsourced workforce are accounted for under operating expenses.

As a percentage of total income, our employee benefit expense was 10.37% in Fiscal 2024 as compared to 10.78% in Fiscal 2023.

Finance cost

Our finance cost increased by 2.25% to ₹ 30.02 crores in Fiscal 2024 from ₹ 29.36 crores in Fiscal 2023, primarily due to increase in notional interest on lease liability in terms of Ind AS 116 which got partially offset by lower interest expenses on optimized working capital utilization.

As a percentage of total income, our finance cost was 1.76% in Fiscal 2024 as compare to 1.68% in Fiscal 2023.

Depreciation and amortisation expense

Our depreciation and amortisation expenses increased by 16.43% to ₹ 68.94 crores in Fiscal 2024 from ₹ 59.21 crores in Fiscal 2023. This increase was primarily due to amortization of increased right of use assets on account of higher rental premises compared to the previous period due to change in the strategy to asset light model. Further, depreciation on new units added during the year in property plant and equipment which also increased the depreciation expenditure.

As a percentage of total income, our depreciation and amortisation expense was 4.03% in Fiscal 2024 as compared to 3.39% in Fiscal 2023.

Other expenses

Our other expenses decreased by 11.70% to ₹ 139.19 crores in Fiscal 2024 from ₹ 157.64 crores in Fiscal 2023. This decrease in other expenses was primarily due to reduction in the allowance for trade receivables and an increase in credit for rental premises owing to a shift to an asset-light model. These savings were partially offset by an increase in professional consultancy and management fees.

As a percentage of total income, our other expenses was 8.14% in Fiscal 2024 as compare to 9.03% in Fiscal 2023.

Profit/ (loss) before exceptional items and tax

Our profit/(loss) before exceptional items and tax deceased to ₹ (35.55) crores in Fiscal 2024 from ₹ 4.34 crores in Fiscal 2023.

As a percentage of total income, our profit before exceptional items and tax was (2.08)% in Fiscal 2024 as compared to 0.25% in Fiscal 2023.

Total tax expenses

Our total tax expenses decreased to ₹ (7.18) crores in Fiscal 2024 from ₹ 16.21 crores in Fiscal 2023 primarily due to decrease in the taxable profits in the current year.

As a percentage of total income, our total tax expenses was (0.42)% in Fiscal 2024 as compared to 0.93% in Fiscal 2023.

Exceptional items

Our exceptional items increased by 3,492.71% to ₹ 34.49 crores in Fiscal 2024 from ₹ 0.96 crores in Fiscal 2023 primarily due to one-time gains in Fiscal 2024 due to the relinquishment of a corporate guarantee to IDFC Bank Limited on behalf of GI Hydro Private Limited (formerly GATI Infrastructure Private Limited) and the disposal of non-core assets.

Profit/ (loss) for the year

As a result of the foregoing factors, our profit increased by 156.10% to ₹ 6.12 crores in Fiscal 2024 from ₹ (10.91) crores in Fiscal 2023.

As a percentage of total income, our profit for the year was 0.36% in Fiscal 2024 as compared to our losses which was (0.62)% in Fiscal 2023.

Profit/ (loss) for the year attributable to owners of the Company

Our Profit/ (loss) for the year attributable to owners of the Company increase by 256.57% to ₹ 14.53 crores for Fiscal 2024 from ₹ (9.28) crores for the Fiscal 2023.

Profit/ (loss) for the year attributable to non-controlling interest

Our Profit/ (loss) for the year attributable to non-controlling interest increased by 415.95% to ₹ (8.41) crore for Fiscal 2024 from ₹ (1.63) crores for the Fiscal 2023.

Fiscal 2023 compared to Fiscal 2022

Income

Our total income increased by 16.00% to ₹ 1,746.04 crores in Fiscal 2023 from ₹ 1,505.24 crores in Fiscal 2022, primarily on account of the factors discussed below.

Revenue from operations

Our total revenue from operations increased by 15.65% to ₹ 1,723.17 crores in Fiscal 2023 from ₹ 1,489.94 crores in Fiscal 2022, primarily as a result of increase in the sales of our products and services during this period.

Revenue from sale of services

Our revenue from sale of services increased by 16.40% to ₹ 1,463.00 crores in Fiscal 2023 from ₹ 1,256.89 crores in Fiscal 2022, primarily as a result of increase in total volume in our express distribution and supply chain segment by 14.74% improving from 972 kt in Fiscal 2022 to 1,133 kt in Fiscal 2023.

Revenue from sale of products

Our revenue from sale of products increased by 11.67% to ₹ 254.44 crores in Fiscal 2023 from ₹ 227.85 crores in Fiscal 2022, primarily as a result of increase in revenue from sales in our fuel station segment.

Other operating revenue

Our other operating revenues increased by 10.19% to ₹ 5.73 crores in Fiscal 2023 from ₹ 5.20 crores in Fiscal 2022, primarily as a result of increase in income of sale of unclaimed goods.

As a percentage of total income, our revenue from operations was 98.69% in Fiscal 2023 as compared to 98.98% in Fiscal 2022.

Other income

Our other income increased by 49.48% to ₹ 22.87 crores in Fiscal 2023 from ₹ 15.30 crores in Fiscal 2022. This increase was primarily due to higher interest income on deposits with banks and others, as Gati Limited, the holding company, invested surplus funds generated from the disposal of non-core assets and share warrants. Additionally, there was an increase in liabilities no longer required and written back, mainly the reversal of provisions for liabilities as per Ind AS 115, and an increase in net gains on lease modifications. These gains were partially offset by a decrease in interest income from income tax refunds and a decrease in rental income

As a percentage of total income, our other income increased to 1.31% in Fiscal 2023 from 1.02% in Fiscal 2022.

Expenses

Our total expenses increased by 14.75% to ₹ 1,741.70 crores in Fiscal 2023 from ₹ 1,517.79 crores in Fiscal 2022 for the reasons as discussed below.

As a percentage of our total revenue, our total expenses was 99.75% in Fiscal 2023, as compared to 100.83% in Fiscal 2022.

Purchase of stock-in-trade

Our purchase of stock-in-trade increased by 11.65% to ₹ 247.44 crores in Fiscal 2023 from ₹ 221.62 crores in Fiscal 2022. This increase is in line with the increase in business volumes in fuel station business segment.

Operating expenses

Our operating expenses increased by 14.30% to ₹ 1,059.54 crores in Fiscal 2023 compared to ₹ 926.96 crores in Fiscal 2022. This increase was primarily due to increases in freight cost, owned vehicles operating costs in line with increased number of owned vehicles, handling charges and other operating expenses.

As a percentage of total income, our operating expenses was 60.68% in Fiscal 2023 as compared to 61.58% in Fiscal 2022.

Changes in inventories of stock-in-trade

Our opening stock of stock-in-trade was ₹ 2.79 crores for the year ended March 31, 2023, while it was ₹ 3.89 crores for the year ended March 31, 2022.

Our closing stock of stock-in-trade was ₹ 2.44 crores for the year ended March 31, 2023, while it was ₹ 3.36 crores for the year ended March 31, 2022.

Changes in inventories of stock-in-trade was ₹ 0.36 crores in Fiscal 2023 compared to ₹ 0.53 crores in Fiscal 2022. This decrease was due to decline in inventory levels representing optimized inventory management.

Employee benefit expense

Our employee benefit expense increased by 19.04% to ₹ 188.15 crores in Fiscal 2023 from ₹ 158.05 crores in Fiscal 2022. The increase was primarily due to an increase in salaries and wages due to wage increments and salary related increase in the ordinary course and increase in share-based payment expenses in this period due to grant of ESAR and ESAR – 2021.

As a percentage of total income, our employee benefit expense was 10.78% in Fiscal 2023 as compared to 10.50% in Fiscal 2022.

Finance cost

Our finance cost increased by 7.47% to ₹ 29.36 crores in Fiscal 2023 from ₹ 27.32 crores in Fiscal 2022, primarily due to increase in notional interest on lease liability in terms of Ind AS 116 which got partially off-set by lower cost due to optimum utilization of working capital.

As a percentage of total income, our finance cost was 1.68% in Fiscal 2023 as compared to 1.81% in Fiscal 2022.

Depreciation and amortisation expense

Our depreciation and amortisation expenses increased by 69.56% to ₹ 59.21 crores in Fiscal 2023 from ₹ 34.92 crores in Fiscal 2022. This increase was primarily as a result of increased right of use assets (on account of change in the strategy of the Company to move towards an asset light model), leading to higher depreciation.

As a percentage of total income, our depreciation and amortisation expense was 3.39% in Fiscal 2023 as compared to 2.32% in Fiscal 2022.

Other expenses

Our other expenses increased by 6.23% to ₹ 157.64 crores in Fiscal 2023 from ₹ 148.39 crores in Fiscal 2022. This increase was primarily due to increases in office maintenance, allowance for expected credit loss, bad debts and irrevocable balances written off, management fee, automation network expenses and repairs and maintenance (primarily due to an increase in repairs and maintenance of plant and equipment and computers).

As a percentage of total income, our other expenses was 9.03% in Fiscal 2023 compared to 9.86% in Fiscal 2022.

Profit/ (loss) before exceptional items and tax

Our profit before exceptional items and tax increased to ₹ 4.34 crores in Fiscal 2023 from ₹ (12.55) crores in Fiscal 2022.

As a percentage of total income, our profit before exceptional items and tax was 0.25% in Fiscal 2023 as compared to (0.83)% in Fiscal 2022.

Total tax expenses

Our total tax expenses increased to ₹ 16.21 crores in Fiscal 2023 from ₹ 3.93 crores in Fiscal 2022 primarily due to increase in the taxable profits in the current year.

As a percentage of total income, our total tax expenses was 0.93% in Fiscal 2023 as compared to 0.26% in Fiscal 2022.

Exceptional items

Our exceptional items decreased by 92.03% to ₹0.96 crores in Fiscal 2023 from ₹12.05 crores in Fiscal 2022. This significant decrease is primarily due to one-time gains in Fiscal 2022 from the gain on the loss of control of Gati Kausar India Limited (GKIL) following the sale of our investment in GKIL. This gain in Fiscal 2022 was offset by losses on the sale of non-core properties, a severance fee payment related to the GKIL disinvestment, and GST provision expenses for exempt GTA services, which were not present in Fiscal 2023. In Fiscal 2023, we recorded several exceptional items. We incurred a loss of ₹7.92 crores on the write-off of Property, Plant, and Equipment. Additionally, there was an impairment charge of ₹3.45 crores on Property, Plant & Equipment. We also recorded a net gain of ₹7.04 crores from the disposal of non-core assets. Furthermore, there was a gain of ₹5.29 crores due to the reversal in the realizable value of non-core assets. In comparison, Fiscal 2022 included various exceptional items. There was an impairment charge of ₹5.24 crores on Property, Plant & Equipment and an impairment charge of ₹13.02 crores in the realizable value of non-core assets. Additionally, we paid a severance fee of ₹13.05 crores related to the disposal of our investment in GKIL. Fiscal 2022 also included a gain of ₹60.13 crores on the loss of control of GKIL. Moreover, we incurred GST provision expenses of ₹16.82 crores related to exempt GTA services and recorded a minor gain of ₹0.05 crores on the disposal of our investment in GKIL. These factors resulted in a net gain of ₹0.96 crores in Fiscal 2023, compared to ₹12.05 crores in Fiscal 2022.

Profit/ loss for the year

As a result of the foregoing factors, our losses increased to ₹ (10.91) crores in Fiscal 2023 from ₹ (4.43) crores in Fiscal 2022.

As a percentage of total income, our losses for the year was (0.62)% in Fiscal 2023 as compared to (0.29)% in Fiscal 2022.

Profit/ (loss) for the year attributable to owners of the Company

Our Profit/ (loss) for the year attributable to owners of the Company decreased to ₹ (9.28) crores for the Fiscal 2023 from ₹ 8.87 crores for Fiscal 2022.

Profit/ (loss) for the year attributable to non-controlling interest

Our Profit/ (loss) for the year attributable to non-controlling interest increased by 87.74% to ₹ (1.63) crores for the Fiscal 2023 from ₹ (13.30) crores for Fiscal 2022.

LIQUIDITY AND CAPITAL RESOURCES

We fund our operations primarily with cash flow from operating activities and short-term borrowings from banks and financial institutions. We evaluate our funding requirements regularly in light of our cash flow from our operating activities and market conditions.

Cash Flows

Fiscals 2024, 2023 and 2022

For Fiscal 2024, Fiscal 2023 and Fiscal 2022, we had cash and cash equivalent balances of ₹ 88.63 crores, ₹ 18.93 crores and ₹ 15.81 crores, respectively. The following table sets out the principal elements of our cash flows for Fiscal 2024, Fiscal 2023 and Fiscal 2022.

(In ₹ crores)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net Cash Flows generated / (used) from Operating Activities **(A)**	72.59	58.18	(6.54)
Net Cash Flows generated / (used) from investing Activities **(B)**	51.83	(16.33)	26.94
Net Cash Flows used in Financing Activities **(C)**	(54.72)	(38.73)	(46.93)
Net increase / (decrease) in Cash and Cash Equivalents **(A+B+C)**	69.70	3.12	(26.53)

Fiscal 2024

Operating Activities

Our net cash flow from operating activities for Fiscal year 2024 was ₹ 72.59 crores.

Net cash inflow from operating activities for Fiscal 2024 consisted of depreciation and amortization expense of ₹ 68.94 crores, finance costs of ₹ 30.02 crores, interest on refund of income tax of ₹ (1.32) crores, interest income of ₹ (6.00) crores, unwinding of other financial assets of ₹ (1.40) crores, liability no longer required written back of ₹ (1.41) crores, net loss on write off of property, plant and equipment of ₹ 0.27 crores, relinquishment of the financial liability of ₹ (23.60) crores, net (gain)/ loss on sale of property, plant and equipment of ₹ 0.26 crores, gain on lease modification of ₹ (0.77) crores, allowance for other financial assets of ₹ 0.70 crores, allowance for expected credit loss of ₹ 0.44 crores, bad debts and irrevocable balances written off (net of allowances) of ₹ 0.10 crores, provision for employees share appreciation rights of ₹ 4.13 crores, Net loss on foreign exchange of ₹ 0.15 crores, net loss/(gain) on disposal of non-core assets of ₹ (10.66) crores and Impairment charged/(reversed) of Property, Plant and Equipment ₹ (0.50) crores.

Movements in working capital were primarily on account of adjustments for changes in operating assets and liabilities, which consisted of a decrease in inventories of ₹0.29 crores, a decrease in trade receivables of ₹22.53 crores, an increase in other financial assets of ₹(0.25) crores, an increase in other assets of ₹(3.73) crores, a decrease in provisions of ₹(1.17) crores, a decrease in financial liabilities of ₹(5.13) crores, a decrease in trade payables of ₹(6.89) crores, and an increase in current liabilities of ₹2.10 crores.

Our cash generated from operating activities was ₹ 66.04 crores, adjusted by direct tax paid (net of refunds) of ₹ 6.55 crores.

Investing Activities

Our net cash flow from investing activities for Fiscal 2024 was ₹ 51.83 crores.

Net cash from investing activities for Fiscal 2024 consisted of proceeds from sale of property, plant and equipment of ₹ 1.65 crores, proceeds from sale of non-core assets of ₹ 77.79 crores, Expenditure on Property, Plant and Equipment of ₹ (20.62) crores, Expenditure on Intangible Assets including Intangibles under development of ₹ (3.95) crores, Investment in bank Fixed Deposit, net ₹ (9.17) crores and interest received of ₹ 6.13 crores.

Financing Activities

Our net cash flow from financing activities for Fiscal 2024 was ₹ (54.72) crores.

Net cash used in financing activities for Fiscal 2024 included outflows in the form of Proceeds from issue of Equity Shares on exercise of ESARs of ₹ 0.02 crores, repayment of public desposits of ₹ (1.11) crores, repayment of long term borrowings of ₹ (0.11) crores, Proceeds/(repayment) of Short Term Borrowings (Net) of ₹ 20.85 crores, Payment of Unpaid Dividend and transfer to Investor Education and Protection Fund(IEPF) of ₹ (0.18) crores, Transfer of Unpaid Public deposits to Investor Education and Protection Fund(IEPF) of ₹ (0.21) crores, payment of principal portion of lease liabilities of ₹ (44.00) crores, payment of interest on lease liabilities of ₹ (18.97) crores and interest paid of ₹ (11.01) crores.

Fiscal 2023

Operating Activities

Our net cash flow from operating activities for Fiscal year 2023 was ₹ 58.18 crores.

Net cash inflow from operating activities for Fiscal 2023 consisted of net profit before tax after exceptional items of ₹ 5.30 crores as adjusted primarily for Depreciation and Amortisation Expense of ₹ 59.21 crores, financial cost of ₹ 29.36 crores, interest on refund of Income tax of ₹ (1.58) crores, Interest Income from Deposit with Bank and Others of ₹ (2.25) crores, unwinding of other financial assets of ₹ (0.89) crores, liability no longer required written back of ₹ (16.84) crores, Impairment charged/(Reversed) of Property, Plant and Equipment of ₹ 3.45 crores, loss on write off of property, plant and equipment of ₹ 7.92 crores, net (gain)/ loss on sale of property, plant and equipment ₹ (0.17) crores, net (gain)/ loss on lease modification ₹ (0.22) crores, net gain on sale of Mutual Funds ₹ (0.08) crores, allowance for expected credit loss ₹ 25.55 crores, Bad debts and irrevocable balances written off (net of allowances) of ₹ 0.23 crores, provision for employees share appreciation rights ₹ 9.24 crores, net loss/(gain) on disposal of non-core assets ₹ (7.04) crores and impairment charged/(reversed) in the realisable value of non-core assets ₹ (5.29) crores.

Movements in working capital were primarily on account of adjustments for changes in operating assets and liabilities, which consisted of a decrease in inventories of ₹0.36 crores, an increase in trade receivables of ₹(54.86) crores, an increase in other current financial assets of ₹1.87 crores, a decrease in other current assets of ₹2.28 crores, an increase in provisions(1) of ₹3.58 crores, an increase in financial liabilities(2) of ₹10.4 crores, an increase in trade payables of ₹0.05 crores, an increase in loans and non-current assets of ₹(3.51) crores, a decrease in current liabilities of ₹(0.70) crores, and a decrease in non-current liabilities of ₹(0.12) crores.

Our cash generated from operating activities was ₹ 65.25 crores, adjusted by direct tax paid (net of refunds) of ₹ (7.07) crores.

(1)For March 31, 2023, it pertains to Increase in Short Term Provisions (2)For March 31, 2023, it pertains to Increase / (Decrease) in Current Financial Liabilities

Investing Activities

Our net cash flow from investing activities for Fiscal 2023 was ₹ (16.33) crores.

Net cash from investing activities for Fiscal 2023 consisted of outflows in the form of proceeds from sale of property, plant and equipment of ₹ 1.17 crores, proceeds from sale of non-core assets of ₹ 77.76 crores, Expenditure on Property, Plant and Equipment(1) of ₹ (32.95) crores, Expenditure on Intangible Assets including Intangibles under development(2) of ₹ (0.21) crores, Purchase of Current Investments(3) of ₹ (1.00) crores, Proceeds from Sale of Investments of ₹ 11.19 crores, Investment in bank Fixed Deposit, net ₹ (75.24) crores and interest received of ₹ 2.95 crores. *(1)For March 31, 2023, it pertains to Expenditure on Property, Plant and Equipment including Capital work in progress. (2)For March 31, 2023, it pertains to Expenditure on Intangible Assets. (3) For March 31, 2023, it pertains to Purchase of Current Investments (Net).*

Financing Activities

Our net cash flow from financing activities for Fiscal 2023 was ₹ (38.73) crores.

Net cash used in financing activities for Fiscal 2023 included outflows in the form of Proceeds from allotment of shares against Share Warrants of ₹ 52.50 crores, repayment of public deposits of ₹ (3.05) crores, repayment of long term borrowings of ₹ (10.12) crores, net proceeds/(repayment) of short term borrowings of ₹ (14.66) crores, payment of principal portion of lease liabilities of ₹ (33.94) crores, payment of interest on lease liabilities of ₹ (16.50) crores and interest paid of ₹ (12.96) crores.

Fiscal 2022

Operating Activities

Our net cash flow from operating activities for Fiscal 2022 was ₹ (6.54) crores.

Net cash inflow from operating activities for Fiscal 2022 consisted of net profit before tax after exceptional items of ₹ (0.50) crores as adjusted primarily for depreciation of ₹ 34.92 crores, financial cost of ₹ 27.32 crores, net gain on sale of investments of ₹ (0.01) crores, interest on refund of Income tax of ₹ (2.75) crores, interest income of ₹ (0.40) crores, liability no longer required written back of ₹ (10.14) crores, impairment charged of property, plant and equipment of ₹ 5.24 crores, Allowance for Expiry Stock of ₹ 0.42 crores, net gain on sale of Mutual Funds ₹ (0.19) crores, allowance for doubtful receivables ₹ 17.31 crores, bad debts and irrevocable balances written off (net of allowances) ₹ 0.50 crores, (gain)/loss on disposal of profit on disposal of subsidiary of ₹ (60.12) crores, severance payment on disposal of investment in Gati Kausar India Limited of ₹ 13.05 crores, provision for GST related expenses (net of amount paid) of ₹ 11.89 crores, net (gain)/ loss on sale of Property, Plant and Equipment ₹ 3.16 crores, provision for employees share appreciation rights of ₹ 0.33 crores, net foreign exchange (gain)/ loss of ₹ (0.02) crores, impairment charged/(reversed) in the realisable value of Non-core Assets 13.02, net (gain)/ loss on lease modification of ₹ 0.47 crores.

Movements in working capital were primarily on account of adjustments for changes in operating assets and liabilities, which consisted of a decrease in inventories of ₹0.48 crores, an increase in trade receivables of ₹(54.78) crores, an increase in loans and non-current assets of ₹(1.97) crores, an increase in other financial assets of ₹(3.76) crores, an increase in other assets of ₹0.46 crores, an increase in provisions of ₹1.94 crores, a decrease in financial liabilities of ₹(3.75) crores, an increase in trade payables of ₹20.67 crores, and a decrease in liabilities of ₹(3.54) crores.

Our cash generated from operating activities was ₹ 9.26 crores, adjusted by direct tax paid (net of refunds) of ₹ (15.80) crores.

Investing Activities

Our net cash flow from investing activities for Fiscal 2022 was ₹ 26.94 crores.

Net cash from investing activities for Fiscal 2022 consisted of outflows in the form of proceeds from sale of property, plant and equipment of ₹ 47.20 crores, purchase of property, plant and equipment including capital work in progress ₹ (8.59) crores, purchase of intangible assets ₹ (0.59) crores, sale proceeds from current investments ₹ 44.08 crores, purchase of current investments ₹ (53.99) crores, net investment in/ proceeds from bank fixed deposit ₹ 11.41 crores, interest received ₹ 0.47 crores and severance payment on disposal of investment in Gati Kausar India Limited ₹ (13.05) crores.

Financing Activities

Our net cash flow from financing activities for Fiscal 2022 was ₹ (46.93) crores.

Net cash used in financing activities for Fiscal 2022 included outflows in the form of proceeds from issue of equity shares (net of issue expenses) ₹ 27.37 crores, repayment of public deposits ₹ (2.97) crores, repayment of long term borrowings ₹ (18.01) crores, payment of principal portion of lease liabilities ₹ (16.76) crores, payment of interest on lease liabilities ₹ (9.85) crores, net movement in short term borrowings ₹ (4.49) crores and finance costs ₹ (22.22) crores

CAPITAL EXPENDITURE

Cash outflow on account of purchase of property, plant, equipment and intangible assets for Fiscal 2024, Fiscal 2023 and Fiscal 2022 was ₹ 24.57 crores, ₹ 33.16 crores and ₹ 9.18 crores, respectively. The following table provides an addition of our property, plant, equipment, intangible assets and capital creditors and other items by category:

(*in ₹ crores*)

Asset Class	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Leasehold improvements	0.64	1.53	0.78
Vehicles	-	0.35	0.08
Plant and machinery	2.40	9.94	2.05
Computer	6.55	7.89	1.76
Furniture and fittings	1.67	13.52	2.45
Office equipment	2.26	3.26	0.92
Total	**13.52**	**36.49**	**8.04**
Capital Creditors	**3.53**	**(4.02)**	**(0.11)**
Others	**7.52**	**0.69**	**1.25**
Total	**24.57**	**33.16**	**9.18***

**After reconciliation of cash flow from investing activities of expenditure on property, plant and equipment and expenditure on intangible assets including intangibles under development.*

(in ₹ crores)

	As at March 31, 2024	***As at March 31, 2023***	***As at March 31, 2022***
Expenditure on Property, Plant and Equipment	*(20.62)*	*(32.95)*	*(8.59)*
Expenditure on Intangible Assets including Intangibles under development	*(3.95)*	*(0.21)*	*(0.59)*
Total	***24.57***	***33.16***	***9.18***

BORROWINGS

As of March 31, 2024, we had total outstanding borrowings of ₹ 144.25 crores. The table below sets forth the details of our outstanding borrowings as of March 31, 2024:

(In ₹ crores)

Category of borrowing	Outstanding amount as on March 31, 2024
Non-Current Borrowings (A)	
Secured	-
- Vehicle Loan from Banks	-
Unsecured	-
Total Non-Current Borrowings (A)	-
Current Borrowings (B)	
Secured	
- Working Capital facilities from Banks Cash Credit	144.25
- Current Maturities of Long term Borrowings	-
Unsecured	-
Total Short Term Current Borrowings (B)	**144.25**
Total (A+B)	**144.25**

CONTINGENT LIABILITIES AND COMMITMENTS

As on March 31, 2024 as per Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets", we had the following contingent liabilities and commitments not acknowledged as debts, as derived from our Audited Consolidated Financial Statement:

(in ₹ crores)

Particulars	As at Fiscal 2024
B. Contingent Liabilities (to the extent not provided for):	
(b) 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 ₹ 29.70 crores, previous year - ₹ 29.70 crores)	40.82
ii. Indirect tax demand disputed in appeals (includes amount paid under protest ₹ 0.91 crores, previous year - ₹ 0.43 crores)	53.88
iii. Others	6.90

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Our activities expose us to Credit Risk, Liquidity Risk and Market Risk.

Our financial liabilities comprise borrowings, lease liabilities, trade payable and other financial liabilities. Our financial assets include trade receivables, loans, cash and cash equivalents and other financial assets.

i. Credit Risk

Credit risk is the risk of financial loss to us if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from our receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. We assess the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

(a) Trade receivables

As per simplified approach, we make 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. We use expected credit loss model to assess the impairment loss or gain in accordance with Ind AS 109. We use a provision matrix to compute the credit loss allowance for trade receivables.

The movement of trade receivables and expected credit loss are as follows:

(In ₹ crores)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Gross trade receivables	297.33	339.86	290.68
Less: Allowance for Expected Credit Loss	(53.52)	(73.08)	(58.35)
Trade Receivables (Net)	**243.81**	**266.78**	**232.33**

(In ₹ crores)

Reconciliation of expected credit loss (trade receivables)	Amount
Expected credit loss as at March 31, 2021	42.75
Allowance for Expected Credit Loss	15.60
Bad debts and irrecoverable balances written off	-
Expected credit loss as at March 31, 2022	**58.35**
Allowance for Expected Credit Loss	25.55
Bad debts and irrecoverable balances written off	(10.82)
Expected credit loss as at March 31, 2023	**73.08**
Allowance for Expected Credit Loss	0.44
Bad debts and irrecoverable balances written off	(20.00)
Expected credit loss as at March 31, 2024	**53.52**

(b) Loans and Advances

The movement of advances and expected credit loss are as follows:

(In ₹ crores)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Other advances receivables (gross)	30.03	31.30	24.83
Less: Expected Credit Loss	(19.11)	(23.27)	(23.21)
Loans and advances (Net)	10.92	8.03	1.62

(In ₹ crores)

Reconciliation of Loss Allowance on Advances	Amount
Expected credit loss as at March 31, 2021	23.19
Allowance for expected credit loss	0.02
Expected credit loss as at March 31, 2022	**23.21**
Allowance for expected credit loss	0.06
Expected credit loss as at March 31, 2023	**23.27**
Allowance for expected credit loss	(4.16)
Expected credit loss as at March 31, 2024	**19.11**

(c) Other Financial Assets (Security Deposits given)

Our 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 we 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. Our 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 our liquidity position through rolling forecasts on the basis of expected cash flows. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required; such credit facilities are reviewed at regular intervals. Thus, no liquidity risk is perceived at present.

Our 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 our reputation.

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

(In ₹ crores)

March 31, 2024	Contractual cash flows				
	Carrying Amount	Total	Less than 1 year	1 to 5 years	More than 5 Years
Borrowings	144.25	144.25	144.25	-	-
Trade payables	88.39	88.39	88.39	-	-
Other financial liabilities	96.65	96.65	96.65	-	-
Total	**329.29**	**329.29**	**329.29**	**-**	**-**

(In ₹ crores)

March 31, 2023	Contractual cash flows				
	Carrying Amount	Total	Less than 1 year	1 to 5 years	More than 5 Years
Borrowings	124.50	124.50	124.49	0.01	-
Trade payables	95.15	95.15	95.15	-	-
Other financial liabilities	130.84	130.84	130.84	-	-
Total	**350.49**	**350.49**	**350.48**	**0.01**	**-**

(In ₹ crores)

March 31, 2022	Contractual cash flows				
	Carrying Amount	**Total**	**Less than 1 year**	**1 to 5 years**	**More than 5 years**
Borrowings	152.33	152.33	143.79	8.55	-
Trade payables	101.76	101.76	101.76	-	-
Other financial liabilities	122.29	122.29	122.29	-	-
Total	**376.38**	**376.38**	**367.84**	**8.55**	**-**

iii. Market Risk

(a) Floating exchange rate

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

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The total unhedged foreign currency exposure at the Financial Year end towards trade receivable and trade payable is ₹ 0.09 crores (previous Financial Year ₹ 0.02 crores) and ₹ 0.24 crores (previous Financial Year ₹ 0.03 crores) respectively. Our Company does not have significant foreign currency exposure and hence, is not exposed to any significant foreign currency risk.

(c) Interest rate risk

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

Our interest rate profile bearing financial instruments at the end of the reporting period are as follows:

(In ₹ crores)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Fixed rate instruments			
Financial Liabilities			
Term Loan from banks	-	0.11	10.10
Deposits from public	-	0.99	4.04
Term loan from financial institutions	-	-	0.14
Sub Total	**-**	**1.10**	**14.28**
Variable rate instruments			
Financial Liabilities			
Cash credit	144.25	123.40	138.06
Sub Total	**144.25**	**123.40**	**138.06**
Total	**144.25**	**124.50**	**152.34**

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, 2022	March 31, 2024	March 31, 2023	March 31, 2022
Variable rate instruments - decrease by 100 basis points	1.44	1.23	1.38	1.44	1.23	1.38
Variable rate instruments - increase by 100 basis points	(1.44)	(1.23)	(1.38)	(1.44)	(1.23)	(1.38)

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.

(d) Equity risk

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

Sensitivity analysis

Our investment in equity instruments are listed on the BSE and NSE in India. The table below summaries the impact of increase/decrease of the Nifty 50 index on our equity and profit for the period. The analysis is based on the assumption that the NSE nifty 50 equity index had increased/ decreased by 10% with all other variables held constant, and that all our equity instruments moved in line with the index.

Particulars	Effect on Profit before tax			Consequential effect on Equity before tax		
	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2024	March 31, 2023	March 31, 2022
NSE Nifty 50 - increase by 10% (March 31, 2022: 10%)	-	-	1.01	-	-	1.01
NSE Nifty 50 - decrease by 10% (March 31, 2022: 10%)	-	-	(1.01)	-	-	(1.01)

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

RELATED PARTY TRANSACTIONS

We have entered into transactions with a number of related parties. For details of our related party transactions, see "*Related Party Transactions*" on page 83.

Segment Information

We have classified our business operations into three business segments on the basis of our organisational structure, namely: (i) express distribution and supply chain; (ii) fuel station; and (iii) others.

The table set forth below provides the IND AS 108 "Operating Segments", segment revenue (net sales/income from each segment) for the Fiscal 2024, Fiscal 2023 and Fiscal 2022.

Business	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ crores)	**%**	**Amount (in ₹ crores)**	**%**	**Amount (in ₹ crores)**	**%**
Express distribution and supply chain	1,474.33	86.83	1,465.92	85.07	1,259.29	84.52
Fuel station	219.15	12.91	254.44	14.77	228.28	15.32
Unallocated	4.51	0.27	2.81	0.16	2.37	0.16
Total	**1,697.99**	**100.00**	**1,723.17**	**100.00**	**1,489.94**	**100.00**

QUALIFICATIONS, RESERVATIONS AND ADVERSE REMARKS

Except as disclosed below, there are no reservations, qualifications or adverse remarks highlighted by the auditors in their reports to our financial statements for the last five Fiscals preceding the date of this Placement Document:

Fiscal (standalone/ consolidated financial information)	Details of reservation, qualification, adverse remarks or matters of emphasis	Details of impact on Financial Statements and financial position of the Company, and corrective steps taken by the Company, if any	Corrective steps taken and/or proposed to be taken by our Company
FY 2019-20	***<u>Basis for Qualified Opinion as per Standalone Financial Statements.</u>***		
Standalone Financial Statements	Under Note 48 of the accompanying standalone financial statement, which states that in earlier years, our Company has given operational advances to few parties aggregating ₹ 18.49 crores which is long overdue and the full recoverability of which is doubtful. As set out in the aforesaid note, the management made necessary efforts to ensure collection of dues from those parties. No impairment allowance for uncertainty in collectability was recognized against above advances. Based on the information provided by the management of our Company regarding the assumptions used in assessing the recoverability of this amount, Erstwhile statutory auditors were unable to determine the impact on the standalone financial statements of a potential adjustment for impairment that may have been necessary in order to present the balance at its estimated recoverable value.	Unable to determine the impact	During the financial year 2020-21 our Company created a 100% provision for doubtful advances on these overdue advances.
	<u>Emphasis of Matter as per Standalone Financial Statements</u>		
	Under Note 46 D to the standalone financial statement regarding loans given to a subsidiary amounting to ₹ 20.01 crores in earlier years, which are outstanding as at the reporting date. The	Impact Unascertainable	Our Company had given interest free loan to a wholly owned subsidiary “Gati Logistics Parks Private Limited” amounting to ₹ 20.01 crores towards financing a project. Our Company received repayment of

	management of our Company was confident of recovery of the amount in due course and no provision is considered necessary for any possible losses that may arise in this behalf.		loan amount to the tune of ₹ 5.58 crores during FY 2021-22, balance loan receivable amount of ₹ 14.43 crores was provided against during FY 2020-21 and 2021-22 to the tune of ₹ 12.42 crores and ₹ 2.01 crores, respectively.
FY 2019-20	***Basis for Qualification as per Consolidated Financial Statements***		
Consolidated Financial Statements	Note 55 to the consolidated financial statements, which states that in earlier years, our Company and one of its subsidiary, Gati Kintetsu Express Private Limited, had given operational advances to few parties aggregating ₹ 20.67 crores (net of provision ₹ 2.18 crores) which was long overdue and the full recoverability of which is doubtful. As set out in the aforesaid note, the management of our Company made necessary efforts to ensure collection of dues from the said parties. No impairment allowance for uncertainty in collectability has been recognized against above advances Based on the information received from the management of the companies regarding the assumptions used in assessing the recoverability of this amount, our Company was unable to determine the impact on the consolidated financial statements, of a potential adjustment for impairment that may have been necessary in order to present the balance at its estimated recoverable value.	Unable to determine the impact	During the financial year 2020-21 our Company created a 100% provision against these overdue advances.
	Note 56 to the consolidated financial statements, which states that in one of the subsidiary of our Company, Gati Kausar India Limited, the said subsidiary has provided for its obligation towards commitment fee based on the management's assessment of the likely obligation in view of the ongoing negotiation with the investor relating to the terms of the amended Bond Subscription Agreement, instead of measuring the obligation at ₹ 8.37 crores as per the terms of the aforementioned agreement. However, in the absence of sufficient and appropriate audit evidence in support of management's assessment and pending final outcome of the negotiation referred above, unable to comment upon the adequacy of the provision and its consequential impact on the consolidated financial statements.	Unable to determine the impact	During the year ended March 31, 2018, management of Gati Kausar India Limited (GKIL), a subsidiary of our Company, had revised its business strategy to adopt an "asset light" model in place of "asset heavy" model in view of then business scenario and keeping in view the cost benefit analysis. Accordingly, the GKIL has not drawndown the committed loan aggregating to ₹ 61.00 crores from the investors. On the basis of a careful analysis of the terms of the amended Bond Subscription Agreement and the prevalent industry practice in this regard, management of

			GKIL had considered a provision of ₹ 0.30 crores to be adequate to meet its obligations. Further, management of the GKIL was confident that no further financial obligations would dwell on GKIL. During the financial year 2021-22, our Company entered into a Share Purchase Agreement ("SPA") dated May 25, 2021 and transferred its 69.79% of equity holding in GATI Kausar India limited (GKIL) to Mandala Capital AG Limited for the sale consideration of ₹ 0.05 crores, pursuant to this transfer, GKIL ceased to be a subsidiary of Gati Limited with effect from July 14, 2021.
	Note 57 (b) to the consolidated financial statements, in one of the subsidiaries of our Company, namely, Gati Kintetsu Express Private Limited, a recoverable of ₹ 1.40 crores from an executive chairman towards excess payment of managerial remuneration for the financial year 2016-17 and 2017-18 was outstanding in the books of accounts as on March 31, 2020. Upon expiry of the permissible tenure for refund of said excess remuneration, there was a delayed recovery from the director for ₹ 0.63 crores and non-recovery of ₹ 0.77 crores up to the date of signing of this report, the same shall be treated to be a loan to a director in contravention of section 185 of the Companies Act, 2013.	No Financial Impact	An amount of ₹ 1.40 crores was recoverable from Executive Chairman of the subsidiary i.e., Gati Kintetsu Express Private Limited towards excess payment of managerial remuneration amounting to ₹ 0.63 crores pertaining to 2016-17 and ₹ 0.77 crores pertaining to 2017-18 has been received from the executive chairman in Q2 2020-21
	Emphasis of Matter as per Consolidated Financial Statements		

	Under Note 57 (a) to the consolidated financial statements, which states that in one of the subsidiaries of our Company, Gati Kintetsu Express Private Limited, managerial remuneration was paid to two executive directors of the subsidiary for the year ended March 31, 2020, has exceeded the limit prescribed under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 4.03 crores. Pending necessary approvals for the excess remuneration from members of the subsidiary, no adjustment to the consolidated financial statements has been made.	No Impact	This excess remuneration was waived off by the shareholders of the said subsidiary company at their AGM held on December 2, 2020 by passing a Special Resolution. However, the waiver pertaining to the Executive CMD was subject to the full refund of the excess of managerial remuneration paid to him for FY 2019 (amounting to ₹ 1.06 crores) on or before January 31, 2021. The same was recovered in full and hence the waiver of excess remuneration for FY 2020 was not applicable.
	Material Uncertainty related to Going Concern as per Consolidated Financial Statement		
	As stated in Note 58(b) to the consolidated financial statements, which states that in one foreign subsidiary Gati Asia Pacific PTE Ltd and one step down subsidiary Gati Hongkong Ltd incurred a net loss of ₹ 1.30 crores for the financial year ended 31 March 2020 and, as of that date, the subsidiary's current liability and total liability exceeded its current assets and total assets by ₹ 0.15 crores respectively. These events and conditions, indicated that a material uncertainty exists that may cast significant doubt on the subsidiary's ability to continue as going concern. Considering the continued financial support as and when required from the shareholders of the said subsidiary, the management was of the view that on going concern basis of accounting is appropriate for preparation of the said subsidiaries' financial statements.	Impact already considered in audited consol accounts	The wholly owned subsidiary i.e., Gati Asia Pacific Pte Limited (GAP) and it's two step-down subsidiaries ceased to be subsidiaries with effect from August 16, 2020 after the transfer of investment to AllCargo Belgium N.V and Wingdom APAC Limited, Hongkong.

	Note 58(a) to the consolidated financial statements, states that in one of the subsidiary of our Company, namely, Gati Kausar India Limited has incurred a net loss of ₹ 14.16 crores during the year ended 31 March 2020 and as of that date, the subsidiary's accumulated losses amounts to ₹ 92.41 crores which has resulted in complete erosion of the net worth of the said subsidiary, and the subsidiary's current liabilities exceeded its current assets by ₹ 85.33 crores. These conditions along with matters set forth in the said note, indicate the existence of a material uncertainty that may cast significant doubt about the subsidiary's ability to continue as a going concern. However, based on the revised business plans, including the restructuring plan under consideration with the key shareholders of the said subsidiary as stated in the aforesaid note, the management od our Company is of the view that going concern basis of accounting is appropriate for preparation of the subsidiary's financial statements.	Impact already considered in audited consol accounts	During the financial year 2021-22, our Company had entered into a Share Purchase Agreement ("**SPA**") dated May 25, 2021 and transferred its 69.79% of equity holding in GATI Kausar India limited (GKIL) to Mandala Capital AG Limited for the sale consideration of ₹ 0.05 crores, pursuant to this transfer, GKIL ceased to be a subsidiary of our Company with effect from July 14, 2021.
FY 2020-21	***<u>Emphasis of Matter as per Standalone Financial Statements</u>***		
Standalone Financial Statements	Note 52 to the standalone financial statements regarding loans given to a subsidiary amounting to ₹ 7.59 crores (net of provision of ₹12.42 crores) in earlier years, which are outstanding as at the reporting date. The management of our Company is confident of recovery of the balance amount in due course and no provision is considered necessary by the management for any possible losses that may arise in this behalf.	Impact Unascertainable	Our Company had given interest free loan to a wholly owned subsidiary "Gati Logistics Parks Private Limited" amounting to ₹ 20.01 crores towards financing a project. Our Company received repayment of loan amount to the tune of ₹5.58 crores during FY 2021-22, balance loan receivable amount of ₹14.43 crores had been provided against during FY 2020-21 and 2021-22 to the extent of ₹ 12.42 crores and ₹2.01 crores respectively.

	Note 55 to the standalone financial statements which describe the extent to which Covid-19 pandemic will impact our Company's results which depend on the future developments that are highly uncertain.	Impact Unascertainable	Our Company faced losses in FY 2020-2021 due to covid-19. However, post covid-19, it is on the path of recovery.
FY 2020-21	***Basis for Qualified Report as per Consolidated Financial Statements***		
Consolidated Financial Statements	Under Note 55 to the consolidated financial statements which states that, one of the subsidiaries of our Company, namely, Gati Kausar India Limited, has provided for its obligation towards commitment fee based on the management's assessment of the likely obligation in view of the ongoing negotiation with the investor relating to the terms of the amended bond subscription agreement, instead of measuring the obligation at ₹ 8.37 crores as per the terms of the aforementioned agreement. However, in the absence of sufficient and appropriate audit evidence in support of management's assessment and pending final outcome of the negotiation referred above, our Company was unable to comment upon the adequacy of the provision and its consequential Impact on the consolidated financial statements.	Unable to determine the impact	During the year ended March 31, 2018, management of Gati Kausar India Limited (GKIL), a subsidiary of our Company, had revised its business strategy to adopt an “asset light” model in place of “asset heavy” model in view of then business scenario and keeping in view the cost benefit analysis. Accordingly, GKIL did not drawdown the committed loan aggregating to ₹ 61.00 crores from the investors. On the basis of a careful analysis of the terms of the amended Bond Subscription Agreement and the prevalent industry practice in this regard, Management of GKIL had considered a provision of ₹ 0.30 crores to be adequate to meet its obligations. Further, management of the GKIL was confident that no further financial obligations would dwell on GKIL. During the financial year 2021-22, our Company had entered into

			a Share Purchase Agreement ("SPA") dated May 25, 2021 and transferred its 69.79% of equity holding in GATI Kausar India limited (GKIL) to Mandala Capital AG Limited for the sale consideration of ₹ 0.05 crores, pursuant to this transfer, GKIL ceased to be a subsidiary of Gati limited with effect from July 14, 2021.
	Emphasis of Matter as per Consolidated Financial Statement		
	Note 57 (a) to the consolidated financial statement, states that managerial remuneration paid to two executive directors of our Company (including one executive director resigned in September 2020) for the year ended March 31, 2021 has exceeded the limit prescribed under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 2.75 crores. Pending necessary approvals for the excess remuneration from members of the said subsidiary company, no adjustment to the consolidated financial statements has been made.	No Impact	The managerial remuneration paid to the former Executive Chairman and Managing Director (CMD) and a Deputy Managing Director of GKEPL (subsidiary of our Company) for the year ended March 31, 2021 had exceeded the limit prescribed under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 2.75 crores which has been approved by the shareholders of our Company.

<table>
<tr><td></td><td>Note 60 to the financial statement which describes the extent to which covid 19 pandemic will impact our Company's result which depend on the future developments that are highly uncertain.</td><td>Impact Unascertainable</td><td>Our Company faced losses in FY 2020-2021 due to covid-19. However, post covid-19, it is on the path of recovery.</td></tr>
<tr><td></td><td><u>Material Uncertainty Related to Going Concern</u></td><td></td><td></td></tr>
<tr><td></td><td>The Audited Consolidated Financial Statements state that one of the subsidiaries of our Company, Gati Kausar India Limited incurred a net loss of ₹ 16.50 crores during the year ended 31 March 2021 and as of that date, the subsidiary's accumulated losses amounts to ₹ 108.92 crores which resulted in complete erosion of the net worth of the subsidiary, and the subsidiary's current liabilities exceeded its current assets by ₹ 95.82 crores. These conditions along with matters set forth in the said note, indicate the existence of a material uncertainty that may cast significant doubt about the subsidiary's ability to continue as a going concern. However, based on the revised business plans, including the restructuring plan under consideration with the key shareholders of the subsidiary as stated in the aforesaid note, the management is of the view that going concern basis of accounting is appropriate for preparation of the subsidiary's accompanying Statement.</td><td>Impact already considered in audited consol accounts</td><td>During the financial year 2021-22, our Company had entered into a Share Purchase Agreement ("SPA") dated May 25, 2021 and transferred its 69.79% of equity holding in GATI Kausar India limited (GKIL) to Mandala Capital AG Limited for the sale consideration of ₹ 0.05 crores, pursuant to this transfer, GKIL ceased to be a subsidiary of Gati limited with effect from July 14, 2021</td></tr>
<tr><td>FY 2022-23</td><td>CARO 2020</td><td></td><td></td></tr>
<tr><td>Standalone Financial Statements</td><td>The title deeds of immovable properties (other than properties where our Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of our Company except two of immovable properties as indicated in the below mentioned cases as at March 31, 2023 for which title deeds were not available with our Company and hence auditors were unable to comment on the same.
<table>
<tr><th>Description of Property</th><th>Gross carrying value</th><th>Held in name Of</th><th>Whether promoter, director or their relative or employee</th><th>Period held – indicate range, where appropriate</th></tr>
<tr><td>Freehold building (Chennai Myalpore)</td><td>352</td><td>TCI Limited</td><td>No</td><td>Since 2000</td></tr>
<tr><td>Freehold building (Sholapur)</td><td>0.01</td><td>TCI Limited</td><td>No</td><td>Since 2000</td></tr>
</table></td><td>Impact Unascertainable</td><td>The assets, Freehold building (Chennai Mylapore) with a gross carrying value of ₹ 3.52 crores and Freehold building (Solapur) with a gross carrying value of ₹ 0.0001 crores, were transferred to our Company pursuant to the business transfer arrangement with TCI Limited. The Chennai Mylapore property is currently in the process of being sold, whereas the Sholapur</td></tr>
</table>

<table>
<tr><td></td><td></td><td></td><td>property was disposed of during the current financial year 2024-25.</td></tr>
<tr><td>FY 2023-24
Standalone Financial Statements</td><td>CARO 2020

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 the Standalone Financial Statements are held in the name of the Company except two immovable properties as indicated in the below mentioned cases as at March 31, 2023 for which title deeds were not available with the Company and hence statutory auditors are unable to comment on the same

<table>
<tr><th>Description of Property</th><th>Gross carrying value</th><th>Held in name Of</th><th>Whether promoter, director or their relative or employee</th><th>Period held – indicate range, where appropriate</th></tr>
<tr><td>Freehold building (Chennai Myalpore)</td><td>352</td><td>TCI Limited</td><td>No</td><td>Since 2000</td></tr>
<tr><td>Freehold building (Sholapur)</td><td>0.01</td><td>TCI Limited</td><td>No</td><td>Since 2000</td></tr>
</table></td><td>Impact Unascertainable</td><td>The assets, Freehold building (Chennai Mylapore) with a gross carrying value of ₹ 3.52 crores and Freehold building (Solapur) with a gross carrying value of ₹ 0.0001 crores, were transferred to the Company pursuant to the business transfer arrangement with TCI Limited. The Chennai Mylapore property is currently in the process of being sold, whereas the Solapur property was disposed of during the current financial year 2024-25.</td></tr>
<tr><td>FY 2019-20</td><td>According to Information and Explanation given to us and on the basis of our examination of the records of the Company, the title deeds of Immovable Property are held in the name of the Company except Land and Building having a gross block and net block of ₹ 368.00 million and ₹ 225.10 million respectively, which were acquired by the Holding Company under a Business Transfer Agreement in the Financial Year 2011-2012.</td><td>Impact Unascertainable</td><td>1. The subject properties have been disposed of in subsequent financial years.</td></tr>
</table>

<table>
<tr><td></td><td>In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments made and providing guarantees and securities, except for an excess payment of managerial remuneration of Rs 14.09 million to an executive chairman for the financial year 2016-17 and 2017-18 which stands recoverable as on 31st March 2020. Upon expiry of the permissible tenure for refund of said excess remuneration, there is a delayed recovery from the director for ₹ 6.30 million and non-recovery of ₹ 7.79 million upto the date of signing of this report, the same shall be treated to be a loan to a director in. contravention of section 185 of the Companies Act, 2013.</td><td>No Financial Impact</td><td>An amount of Rs 14.09 Mn is recoverable from Executive Chairman of the subsidiary i.e., Gati Kintetsu Express Pvt Ltd towards excess payment of managerial remuneration amounting to ₹ 6.30 million pertaining to 2016-17 and ₹ 7.79 million pertaining to 2017-18 has been received from executive chairman in Q2 2020-21.</td></tr>
<tr><td></td><td>According to the information and explanations given to the statutory auditors and on the basis of their examination of the records of our Company examined by them, our Company is generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, duty of customs, cess and other material statutory dues, as applicable to the appropriate authorities.

There are no arrears in respect of the aforesaid dues as at March 31,2020 for a period of more than six months from the date they became payable except professional tax of ₹0.95 million and provident fund of ₹ 1.70 million which are due for more than 6 months.</td><td>Impact already considered in the financials</td><td>The overdue payments to government authorities, related to professional tax amounting of ₹ 0.95 million and provident fund dues of ₹ 1.70 million, which were outstanding for more than 6 months as of March 31, 2020, have been settled in subsequent years</td></tr>
<tr><td></td><td>According to the information and explanations given to the statutory auditors, the dues outstanding in respect of dues of income tax, sales tax, duty of excise, service tax, duty of customs, value added tax and goods and services tax has not been deposited by our Company on account of disputes are as follows:

<table><tr><th>Name of the Statute</th><th>Nature Of Dues</th><th>Rs in crores</th><th>Period to which the amount relates</th><th>Forum where dispute is pending</th></tr></table></td><td>Impact Unascertainable for the pending cases.</td><td>The matters related to Income tax and Indirect tax - Sales tax are sub judice except for Income tax matters related to periods 2013-14, 2015-16 and 2016-17 which</td></tr>
</table>

<table>
<tr>
<td></td>
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<table>
<tr><td>Income Tax Act, 1961</td><td>Income Tax</td><td>139.61</td><td>2013-14
2014-15
2015-16
2016-17</td><td>Income Tax Appellate Tribunal, Commissioner (Appeals)</td></tr>
<tr><td>Indirect Tax</td><td>Sales Tax</td><td>32.26</td><td>2013-14
2014-15
2015-16
2016-17
2017-18</td><td>Assistant Comm. Commercial Tax, Mobile Squad Unit-4 Commercial Tax Mathura</td></tr>
</table>
</td>
<td></td>
<td>have been closed in subsequent years.</td>
</tr>
<tr>
<td></td>
<td>In the opinion of the statutory auditors and to the best of their information and according to the explanations given to them, the remuneration paid by our Company to our directors during the year is in accordance with the provisions of section 197 of the Act except managerial remuneration paid to an Executive chairman of the Company for the year which is in excess of the limit prescribed under Schedule V of the Companies Act, 2013 by ₹ 40.31 million for the financial year 2019-20, which is subject to the approval of shareholders in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.</td>
<td>No Impact</td>
<td>This excess remuneration has been waived off by the shareholders of the said subsidiary company at their AGM held on December 02, 2020 by passing the Special Resolution. However, the waiver pertaining to the Executive CMD was subject to the full refund of the excess of managerial remuneration paid to him for FY’ 2019 (amounting to Rs 106 Lakhs) on or before January 31, 2021. The same was recovered in full and hence the waiver of excess remuneration for FY 2020 was applicable.</td>
</tr>
</table>

<table>
<tr>
<td rowspan="3">FY 2020-21</td>
<td>According to the information and explanations given to our statutory auditors and on the basis of their examination of the records of our Company the title deeds of all the immovable properties, as disclosed in Note 4(a) on Property Plant & Equipment to the financial statements are held in the name of the Company except in respect of one Building (Located at Pune) having gross block of ₹194.5 lakhs and net block of ₹160.46 lakhs, the title deeds of which are held in the name of erstwhile companies, which were acquired from the Holding Company under a Business Transfer Agreement in the financial year 2011-12.</td>
<td>Impact Unascertainable</td>
<td>The subjected Property, which was transferred to the Company pursuant to the business transfer arrangement with Gati Limited, has been disposed of during subsequent year.</td>
</tr>
<tr>
<td>According to the information and explanations given to the statutory auditors, and the records of our Company examined by them, there are no dues of goods and services tax, duty of customs, duty of excise, Service Tax and value added tax which have not been deposited on account of any dispute. The particulars of dues of Income Tax and Sales Tax as at March 31, 2021, which have not been deposited on account of a dispute, are as follows:
<table>
<tr><th>Name of the Statute</th><th>Nature Of Dues</th><th>Rs In Lakhs</th><th>Period to which the amount relates</th><th>Forum where dispute is pending</th></tr>
<tr><td>Income Tax Act, 1961</td><td>Income Tax</td><td>391.41</td><td>2013-14
2014-15
2015-16
2016-17
2017-18
2018-19</td><td>Income Tax Appellate Tribunal, Commissioner (Appeals)</td></tr>
<tr><td>Indirect Tax</td><td>Sales Tax</td><td>322.6</td><td>2013-14
2014-15
2015-16
2016-17
2017-18</td><td>Assistant Comm. Commercial Tax, Mobile Squad Unit-4 Commercial Tax Mathura</td></tr>
</table>
</td>
<td>Impact Unascertainable for the pending cases.</td>
<td>The matters related to Income tax and Indirect tax - Sales tax are sub judice except for Income tax matters related to periods 2013-14, 2015-16,2016-17 and 2017-18 which have been closed in subsequent years.</td>
</tr>
<tr>
<td>According to the information and explanations given to statutory auditors and on the basis of their examination of the records of our Company examined by them, except for dues in respect of professional tax and provident fund, the company is generally regular in depositing undisputed statutory dues, including Employees’ State Insurance, Income-tax, Goods and Services Tax, duty of customs, cess and other material statutory dues, as applicable, to the appropriate authorities. There were no arrears in respect of the aforesaid dues as at March 31,2021 for a period of more than six months from the date they became payable except professional tax of ₹ 0.16 lakhs and provident fund of ₹ 0.52 lakhs which are due for more than 6 months.</td>
<td>Impact already considered in then financials</td>
<td>The overdue payments to government authorities, related to professional tax amounting to ₹ 0.16 lakhs and provident fund dues of ₹ 0.52 lakhs, which were outstanding for more than 6 months as of March 31, 2021, have been settled</td>
</tr>
</table>

<table>
<tr><td></td><td></td><td></td><td>in subsequent years.</td></tr>
<tr><td></td><td>In the opinion of the statutory auditors and to the best of their information and according to the explanations given to them, the remuneration paid by our Company to our directors during the year is in accordance with the provisions of section 197 of the Act except managerial remuneration paid to two executive directors of the Company (including one executive director resigned in September 2020) for the year which is in excess of the limit prescribed under Schedule V of the Companies Act, 2013 by ₹ 275 lakhs for the financial year 2020-21, which was subject to the approval of shareholders in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act</td><td>No Impact</td><td>The managerial remuneration paid to the former Executive Chairman & Managing Director (CMD) and a Deputy Managing Director of GKEPL (subsidiary company) for the year ended March 31, 2021 had exceeded the limit prescribed under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 275 lakhs, has been approved by the respective shareholders of the company.</td></tr>
<tr><td>FY 2021-22</td><td>According to the information and explanations given to statutory auditors and on the basis of their examination of the records of our Company examined by them, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of our Company except in respect of one Building (Located at Pune) having gross block of ₹ 194.5 lakhs and net block of ₹ 160.46 lakhs, the title deeds of which are held in the name of erstwhile companies, which were acquired from the Holding Company under a Business Transfer Agreement in the financial year 2011-12.
<table>
<tr><th>Description of Property</th><th>Gross Carrying Value</th><th>Title deed held in the name of</th><th>Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director</th><th>Property held since when</th><th>Reason for not being held in the name of Company</th></tr>
<tr><td>Building (pune)</td><td>194.5 Lakhs</td><td>Gati Ltd</td><td>Yes</td><td>Since FY 2011-12</td><td>Pending Mutation of the property, acquired through BTA entered into in 2012</td></tr>
</table></td><td>Impact Unascertainable</td><td>The subject Property, which was transferred to the Company pursuant to the business transfer arrangement with Gati Limited, has been disposed of during the subsequent year.</td></tr>
</table>

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According to the information and explanations given to statutory auditors and on the basis of their examination of the records of our Company examined by them, our Company was sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In the opinion of our statutory auditors, the quarterly returns or statements filed by our Company with such banks or financial institutions are in agreement with the books of accounts of our Company except as follows:

<table>
<tr><th>Quarter</th><th>Name of the Bank</th><th>Particulars</th><th>Amount as per book of Accounts</th><th>Amount as reported in Quarterly Return/Statement</th><th>Amount of Difference</th><th>Whether return/statement subsequently rectified</th></tr>
<tr><td>June 2021</td><td rowspan="4">Axis Bank, Indusind Bank, Bank of Bahrain and Kuwait, Federal Bank, Standard Chartered Bank</td><td rowspan="4">Gross Trade Receivable</td><td>19,327</td><td>22,771</td><td>3,444</td><td>No</td></tr>
<tr><td>Sept 2021</td><td>23,438</td><td>28,333</td><td>4,895</td><td>No</td></tr>
<tr><td>Dec 2021</td><td>26,044</td><td>27,889</td><td>1,845</td><td>No</td></tr>
<tr><td>March 2022</td><td>26,959</td><td>26,860</td><td>-99</td><td>No</td></tr>
</table>

</td><td>No Impact</td><td>The variances arose on account of statements filed with the lenders being based on financial statements prepared on a provisional basis and certain line items grouped under trade receivables not being considered in the statements submitted to the bank. However, these issues have subsequently been rectified, and there are no such instances currently.</td></tr>
<tr><td></td><td>

According to the information and explanations given to statutory auditors and on the basis of their examination of the records of our Company examined by them, our Company is generally regular in depositing the undisputed statutory dues in respect of goods and services tax though there has been a delay in few cases and is regular in depositing undisputed statutory dues, including income tax, provident fund, employees state insurance, service tax, duty of customs, cess, and other material statutory dues, as applicable, with the appropriate authorities though there have been slight delays in a few cases of professional tax.

According to the information and explanations given to our statutory auditors and on the basis of our examination of the records of our Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable, except as mentioned below:

<table>
<tr><th>Name to Statute</th><th>Nature of the dues</th><th>Rs. In Lakhs</th><th>Period to which amount relates</th><th>Due Date</th><th>Date of Payment</th><th>Remarks, if any</th></tr>
<tr><td>GST Act</td><td>GST</td><td>1189</td><td>FY 2017-18 to FY 2019-20</td><td>Various Dates</td><td>Not yet paid</td><td>Refer Note 35(ii) to the Financial Statement.</td></tr>
<tr><td>Professional Tax</td><td>Professional Tax</td><td>0.12</td><td>FY 2020-21</td><td>15.11.2021</td><td>Not yet paid</td><td>Bihar</td></tr>
<tr><td>Professional Tax</td><td>Professional Tax</td><td>0.25</td><td>FY 2020-21</td><td>30.04.2021</td><td>Not yet paid</td><td>Punjab</td></tr>
</table>

</td><td>Impact Unascertainable for the pending cases.</td><td>The overdue payments mentioned have been settled in subsequent years, except for the GST payment of ₹1189 lakhs, which remains unpaid.</td></tr>
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<td>
<table>
<tr><td>Professional Tax</td><td>Professional Tax</td><td>0.04</td><td>April 2021 to September 2021</td><td>30th June and 30th September</td><td>Not yet paid</td><td>Pondicherry</td></tr>
</table>
</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>According to the information and explanations given to statutory auditors and on the basis of their examination of the records of our Company examined by them , statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows: -
<table>
<tr><th>Name of Statute</th><th>Nature of Dues</th><th>Rs in Lakhs</th><th>Period to which the amount relates</th><th>Forum where dispute is pending</th></tr>
<tr><td>Income Tax Act, 1961</td><td>Income Tax</td><td>343.41</td><td>AY 2014-15
AY 2018-19</td><td>Income Tax Appellate Tribunal,
Commissioner (Appeals)</td></tr>
<tr><td>Indirect Tax</td><td>Sales Tax</td><td>322.60</td><td>2013-14
2014-15
2015-16
2016-17
2017-18</td><td>Assistant Comm. Commercial Tax, Mobile Squad Unit-4 Commercial Tax Mathura</td></tr>
</table>
</td>
<td>Impact Unascertainable for the pending cases.</td>
<td>These matters related to Income tax and Indirect tax - Sales tax and are sub judice.</td>
</tr>
<tr>
<td>FY 2022-23</td>
<td>According to the information and explanations given to statutory auditors and on the basis of their examination of the records of our Company examined by them, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows: -
<table>
<tr><th>Name of Statute</th><th>Nature of Dues</th><th>Rs in Lakhs</th><th>Period to which the amount relates</th><th>Forum where dispute is pending</th></tr>
<tr><td>Income Tax Act, 1961</td><td>Income Tax</td><td>343.41</td><td>AY 2014-15
AY 2018-19</td><td>Income Tax Appellate Tribunal,
Commissioner (Appeals)</td></tr>
<tr><td>Indirect Tax</td><td>Sales Tax</td><td>322.60</td><td>2013-14
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2015-16
2016-17
2017-18</td><td>Assistant Comm. Commercial Tax, Mobile Squad Unit-4 Commercial Tax Mathura</td></tr>
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</td>
<td>Impact Unascertainable for the pending cases.</td>
<td>These matters related to Income tax and Indirect tax - Sales tax and are sub judice.</td>
</tr>
<tr>
<td></td>
<td>According to the information and explanations given to statutory auditors and on the basis of their examination of the records of our Company examined by them, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows: -
<table>
<tr><th>Name of Statute</th><th>Nature of Dues</th><th>Rs in Lakhs</th><th>Period to which the amount relates</th><th>Forum where dispute is pending</th></tr>
<tr><td>Income Tax Act, 1961</td><td>Income Tax</td><td>343.41</td><td>AY 2014-15
AY 2018-19</td><td>Income Tax Appellate Tribunal,
Commissioner (Appeals)</td></tr>
<tr><td>Indirect Tax</td><td>Sales Tax</td><td>322.60</td><td>2013-14
2014-15
2015-16
2016-17
2017-18</td><td>Assistant Comm. Commercial Tax, Mobile Squad Unit-4 Commercial Tax
Mathura</td></tr>
</table>
</td>
<td>Impact Unascertainable for the pending cases.</td>
<td>. These matters related to Income tax and Indirect tax - Sales tax and are sub judice.</td>
</tr>
</table>

<table>
<tr>
<td>FY 2023-24</td>
<td>According to the information and explanations given to statutory auditors and on the basis of their examination of the records of our Company examined by them, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:
<table>
<tr><th>Name of Statute</th><th>Nature of Dues</th><th>Rs in Lakhs.</th><th>Period to which the amount pertains</th><th>Forum where dispute is pending</th></tr>
<tr><td>Income Tax Act, 1961</td><td>Income Tax</td><td>343.41</td><td>AY 2014-15
AY 2018-19</td><td>Income Tax Appellate Tribunal, Commissioner (Appeals)</td></tr>
<tr><td>Sales Tax Acts of Various States</td><td>Sales Tax</td><td>322.60</td><td>2013-18</td><td>Assistant Comm. Commercial Tax, Mobile Squad Unit-4 Commercial Tax, Mathura</td></tr>
<tr><td>CGST Act, 2017</td><td>GST</td><td>549.98</td><td>2017-2019</td><td>Appellate Authority – up to Commissioners</td></tr>
</table>
</td>
<td>Impact Unascertainable for the pending cases.</td>
<td>These matters related to Income tax and Indirect tax - Sales tax and are sub judice.</td>
</tr>
</table>

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2024

Except as otherwise as set out in this Placement Document and mentioned below, to our knowledge and belief, no circumstances have arisen since the date of the last financial information contained in this Placement Document which materially affect, or are likely to affect, the trading and profitability of our Company, or the value of our assets or our ability to pay material liabilities within the next 12 months.

1. The Board of directors in their meeting held on May 16, 2024 and May 19, 2023 has given the Company approval to explore the sale/disposal of fuel station business and an in-principle consent to transfer the fuel station business to one of its wholly owned subsidiary, Gati Projects Private Limited, respectively subject to consent from the respective oil marketing companies and the necessary approvals from the shareholders of the Company.

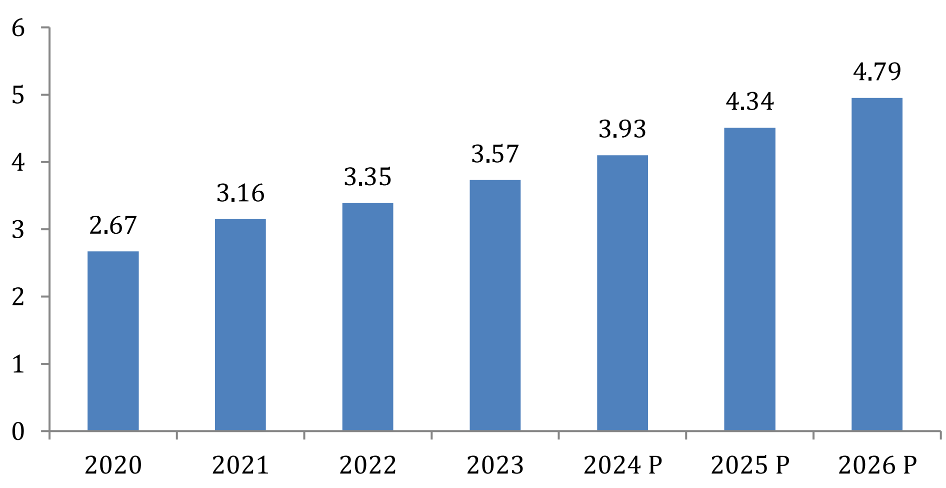
INDUSTRY OVERVIEW

Unless otherwise indicated, the information in this section is obtained or extracted from "Indian Express Logistics Industry" dated June, 2024 (the "Aviral Report") prepared and issued by Aviral Consulting Private Limited ("Aviral Consulting") appointed by us on February 15, 2024 and exclusively commissioned by and paid for by us in connection with the Issue. The data included herein includes excerpts from the Aviral Report and may have been re-classified by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. See also "Risk Factors – This Placement Document contains information from an industry report which we have commissioned from Aviral Consulting. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate." on page 59. While preparing its report, Aviral Consulting has also sourced information from publicly available sources, including our Company's financial statements available publicly.

1.0 Overview: Indian Economy

As per IMF, Indian GDP reached to $ 3.7 trillion in 2023 with a growth rate of 7.8% over previous year and is expected to grow at 6.8% in 2024. India maintains its position as the world's fifth-largest economy. Furthermore, the Indian economy is on track to achieve the $4.3 trillion in 2025 & $4.7 trillion milestone by 2026, driven by advancements in the financial sector and leveraging the demographic dividend, as noted by the Reserve Bank of India (RBI).

GDP Current Price ($ Tn)



Source: IMF, Aviral Analysis

This positive momentum is reinforced by the implementation of strategic policies tailored to complement sector-specific incentive schemes. Additionally, significant investments in improving logistics and infrastructure, including the development of new roads, highways, and rail networks, underscore the government's steadfast commitment to strengthening the logistics sector.

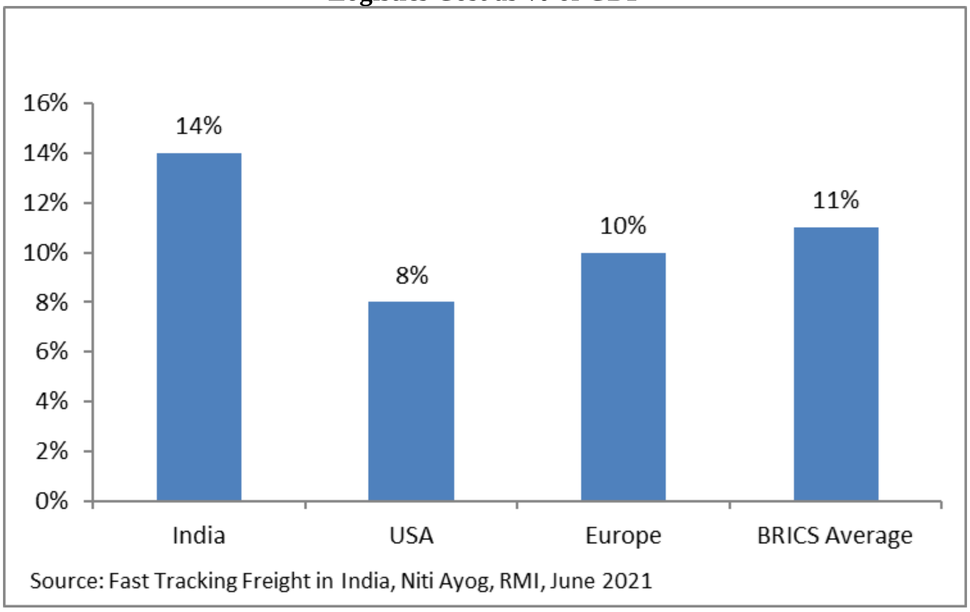
India's strategic focus on reducing logistics costs is essential for its ambition to become a linchpin in global supply chains and achieve the ambitious goal of becoming a $ 5 trillion economy by 2025. With a clear vision for the future, India aims to attain developed economic status by 2047, demonstrating a clear path towards sustained growth and holistic development.

2.0 Logistics Sector: An Introduction

2.1 Logistics cost as % of GDP

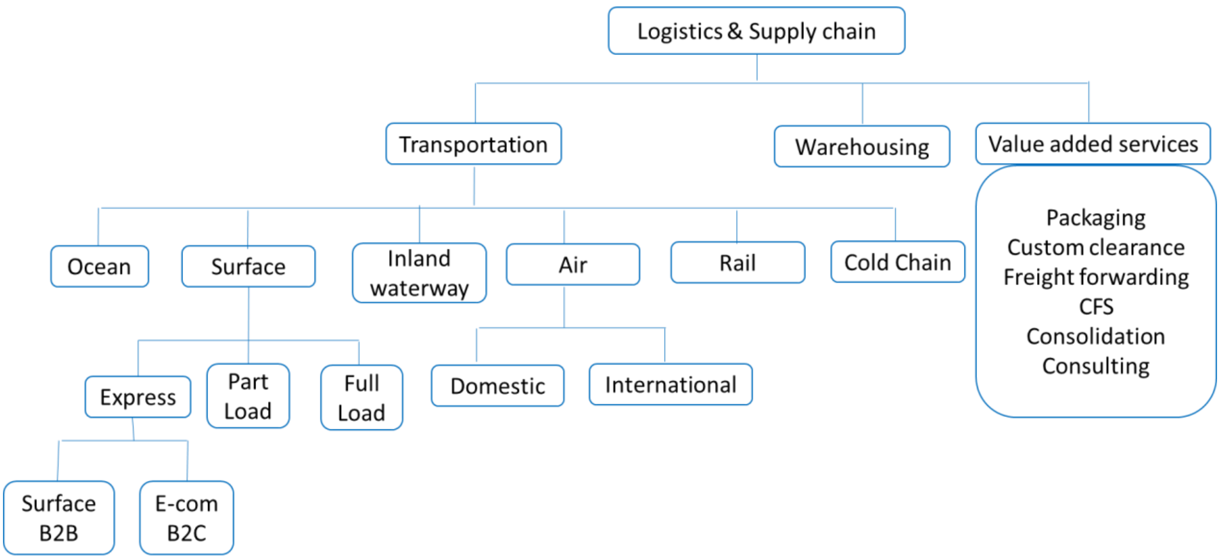
On an average, the sector accounts for anywhere between 8–20% in various country's GDP. Logistics cost estimation for countries has been done by Artificial Neural Network (ANN) model, which uses five input variables: geographic region variables, economic variables, income level variables, transportation variables, and country size. The model estimates total cost of logistics, instead of component wise cost or only direct cost of logistics.

Logistics Cost as % of GDP

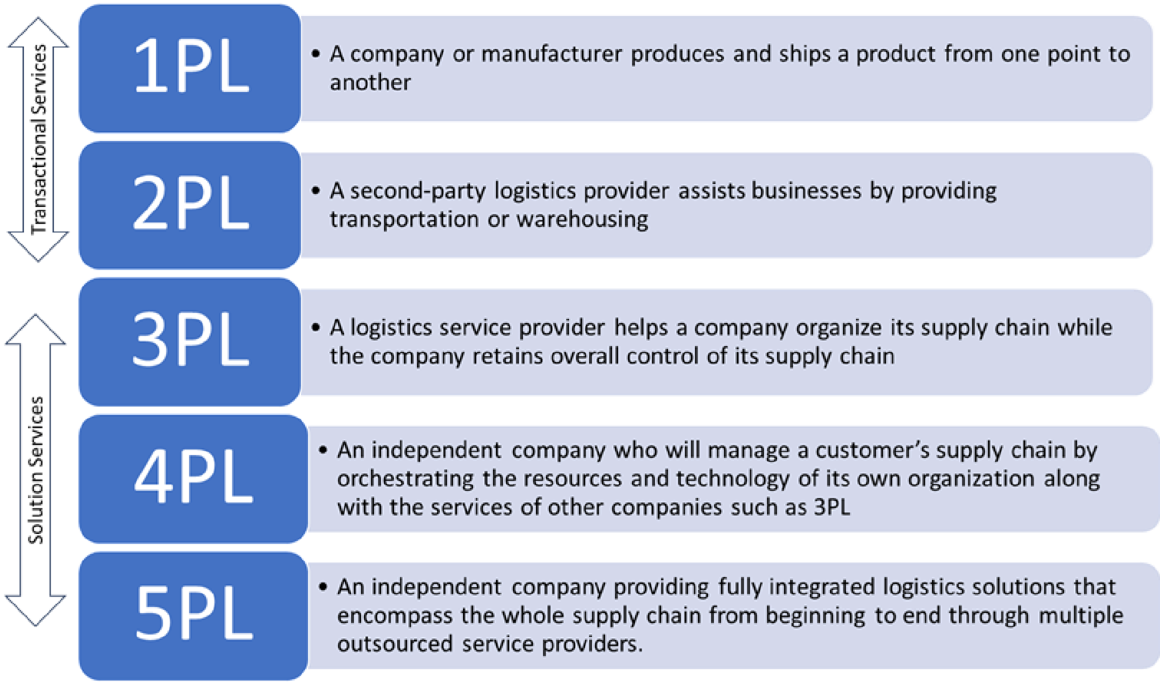


2.2 Structure in Logistics:

Logistics services can be classified in two ways: service centric structure and solution centric structure. Service centric structure rotates around specific service in logistics and each service is independent of other. Second method of classification rotates around method of logistics solution delivery in solo or bundled form.



Logistics service centric classification
Source: Aviral Analysis



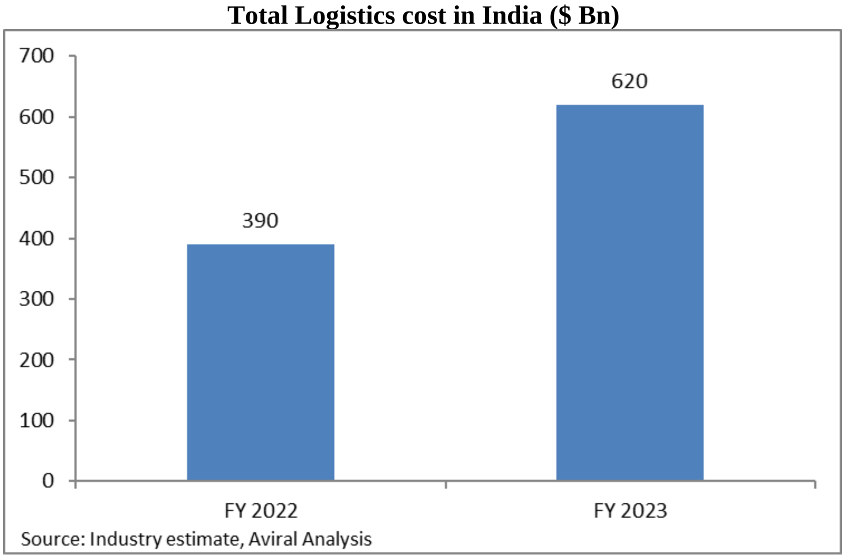
Logistics Solution centric classification
Source: Aviral Analysis

2.3 Logistics Sector in India

The Indian logistics industry has come a long way, from being labor intensive during the 1980's to an era where technology plays vital role. The concept of 3PL in India has gained momentum in the last decade. Traditionally, manufacturing companies in India managed their logistics requirements in-house. The country then gradually evolved to the stage where the Indian organizations outsourced their labor requirements in order to avoid labor related problems. Subsequently, basic services such as transportation and warehousing were outsourced to different service providers known as the (Second-Party Logistics) 2PL service providers. With increasing demand, the service providers started providing integrated services along with other value-added services streamlining client supply chains., while organizations focused on their core competencies.

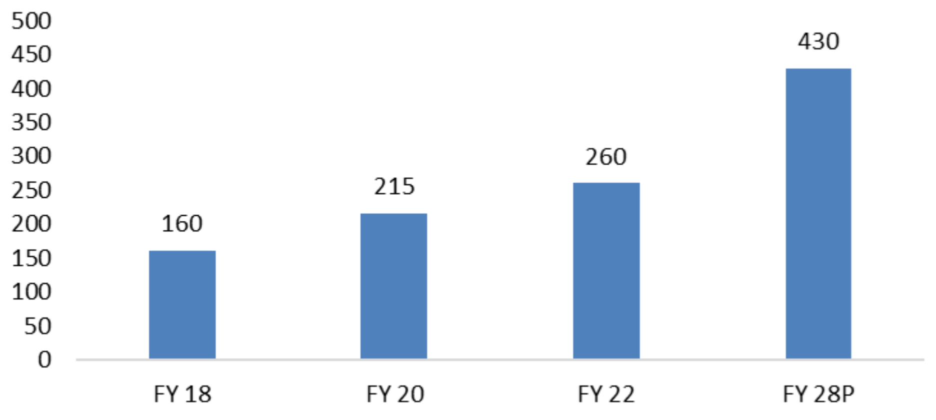
Wide consumption base makes India a big market for logistics. India's total Logistics & Supply chain Market is estimated to be around $ 390 Bn in 2022 and is expected to grow at a CAGR of 8% - 9.0% in next 5 years.

Total Logistics cost in India ($ Bn)



Out of total logistics market approx. 65% - 70% share is contributed by direct logistics activities. Direct logistics includes transportation, warehousing, cargo handling, and transportation. Rest of 30%-35% cost is attributed to indirect factors and overheads like inventory carrying cost. Size of the direct logistics cost was estimated around $260 billion, which includes the directly attributed activities to logistics. It is projected to be at $430 billion by FY 28 growing at an estimated CAGR of 8% to 9%.

Direct Logistics Cost in India ($ Bn)

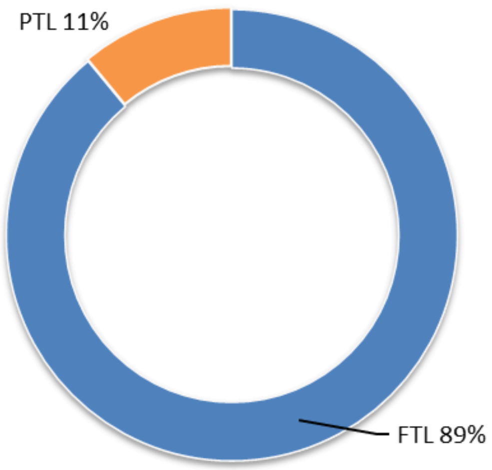


1 & 2: pib.gov.in
3: Estimate based on NCEAR & DPIIT report on Logistics cost of india, Aviral analysis
4: Industry estimate and Aviral Analysis

2.3.1 Road freight

Out of total freight activities, road transportation contributes most compared to other modes of transport and its share in freight activities is estimated at 66%. In FY 22, 3.05 trillion-ton km freight moved by roads, against 0.82 trillion-ton km by rail, resulting in 66% share of road transport. Full truck load market was around $ 125 billion in 2022, which was expected to increase at a rate of 6-7% in the upcoming years. Around 4 million trucks operate on the Indian roads in 2022 and by 2050 it is estimated to be 17 million trucks.

Road Transport: FTL Vs LTL

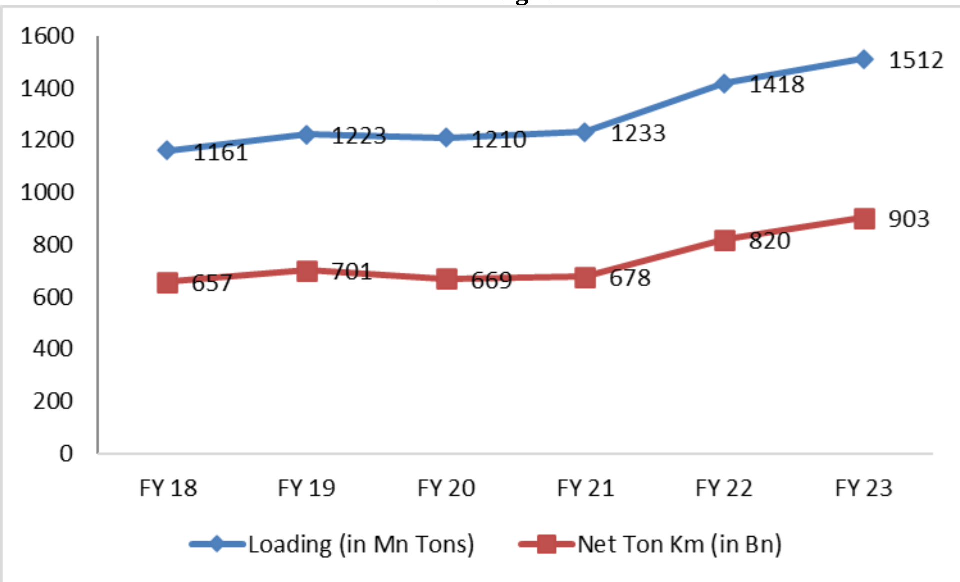


Source: Aviral Analysis

2.3.2 Rail freight

Railways are considered a relatively cheaper mode of transport than road and are used mainly for transporting bulk materials over long distances. About 89% of its freight traffic is contributed by major commodities such as coal, fertilizers, cement, petroleum products, food grain, finished steel, iron ore and raw material to steel plants. The balance 11% is other commodities moving in bulk and containers. In the year of FY 23 total cargo handled by Indian railway has registered a growth of 7% in volume and 14% in revenue terms with a load of 1512 million ton against 1,418 million tons in FY 22.

Rail Freight



2.4 Logistics Performance Index

According to the World Bank's 'Logistics Performance Index (LPI) Report 2023, India ranks 38th rank out of 139 countries. India's rank has improved by six places in 2023 from 44 in 2018 and 54 in 2014. India is ranked 38 in LPI in 2023 with a score of 3.4 while Singapore has the highest score of 4.3. India's LPI had improved from rank 44 to 38 between 2018 and 2023 due to improvements in infrastructure, programs like Make in India and technological and digital improvements in the logistics supply chain.

Country	Singapore	Germany	United States	United Kingdom	China	India
LPI (Rank)	1	3	17	19	19	38
LPI (Score)	4.3	4.1	3.8	3.7	3.7	3.4
Customs (Rank)	1	7	14	22	31	47
Customs (Score)	4.2	3.9	3.7	3.5	3.3	3
Infrastructure (Rank)	1	3	16	25	14	47
Infrastructure (Score)	4.6	4.3	3.9	3.7	4	3.2
International shipments (Rank)	2	8	26	22	14	22
International shipments (Score)	4	3.7	3.4	3.5	3.6	3.5
Logistics competence(Rank)	1	3	14	28	20	38
Logistics competence (Score)	4.4	4.2	3.9	3.7	3.8	3.5
Tracking & tracing (Rank)	1	3	3	16	23	41
Tracking & tracing (Score)	4.4	4.2	4.2	4	3.8	3.4
Timeliness (Rank)	1	10	25	30	3	35
Timeliness (Score)	4.3	4.1	3.8	3.7	3.7	3.6

India's LPI can be further improved by reducing clearance time, optimizing border procedures (i.e. speed, simplicity and predictability of formalities) and improving quality of infrastructure (e.g. improving quality of roads, rail and ports, developing intermodal hubs, digitization and technological advancements). The government of India has introduced several schemes to reduce the cost of logistics in India, promote growth, and ensure that the logistics sector of India becomes an essential component for transforming India.

2.5 Digitization of Logistics:

In India, the digitization of logistics is rapidly transforming the industry landscape, with increasing adoption of technology-driven solutions to optimize operations, enhance efficiency, and improve supply chain visibility. From digital freight platforms and automated warehouse management systems to IoT-enabled tracking devices and predictive analytics tools, logistics companies are leveraging digital technologies to streamline processes, reduce costs, and meet the evolving needs of customers. Government initiatives such as the Digital India program and the introduction of e-way bills have further catalyzed the digitization drive, encouraging logistics players to embrace digital platforms for seamless documentation, regulatory compliance, and electronic communication. With the proliferation of smartphones and internet connectivity, mobile applications and online marketplaces are becoming integral to logistics operations, enabling real-time tracking, electronic payments, and customer engagement.

2.6 Growth Drivers of Indian logistics

Draft of vision 2047 released by Niti Ayog has projected India to be $ 30 trillion economy. Growth of economy always coupled with growth of logistics and supply chain. Last decade has witnessed significant changes in logistics landscape like implementation of GST, improvement in road infrastructure and high degree of automation, which has led to improvement in logistics efficiency. Industry is expected to keep the momentum of growth and is expected to grow between 8% - 9% per annum till 2028. Logistics growth will be driven by multiple factors like:

- **Infrastructure growth and PM Gati Shakti**: Infrastructure growth plays a vital role in facilitating logistics expansion by providing the necessary physical framework for the movement of goods and services. In 2021, Government launched PM Gati Shakti for providing multimodal connectivity infrastructure to various economic zones which is crucial in driving logistics growth in India by improving connectivity, efficiency, and reliability in the movement of goods and services across the country. The focus of PM Gati Shakti is on planning, financing including through innovative ways, use of technology and speedier implementation for economic growth and sustainable development. The initiative emphasized on integrated planning and coordination among different infrastructure sectors. One of the key objectives of PM Gati Shakti is to enhance multimodal connectivity for smoother movement of goods across the country, reducing transit times and costs for logistics operators. As per 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. More than 1,300 infrastructure projects were envisaged as part of the PM Gati Shakti initiative for comprehensive infrastructure planning, ensuring inclusive growth.
- **Thrust on manufacturing**: Growth in manufacturing directly attributes to growth of logistics. India has been actively pursuing various initiatives to boost manufacturing like make in India, Production Linked Incentives (PLI) and Atmanirbhar Bharat. Flagship initiatives - Make in India, PLI and Atmanirbhar Bharat are aimed at encouraging multinational and domestic companies to manufacture their products in India. It aims to increase the share of manufacturing in India's GDP. National Manufacturing Policy of the Government of India, a policy to bring about a quantitative and qualitative change in manufacturing, aims to increase the share of manufacturing in GDP to 5 percent by 2025.
- **Government initiatives on logistics**: In order to improve Indian logistics and supply chain, many initiatives have been taken by Government, the prime one was the grant of infrastructure status to logistics, which enabled easier lending to sector and wider access to funds. In 2022, National Logistics Policy was introduced an aim to promote seamless movement of goods and to enhance the competitiveness of Indian industries. Other reforms like GST implementation and e-invoicing have also supported growth of logistics sector. Additionally, the Ministry of Commerce and Industry, recently developed a framework called LEADS (Logistics Ease Across Different States) to measure the logistics performances of States and Union Territories in India. LEADS is an indigenous data-driven index to assess logistics infrastructure, services, and human resources with a goal to highlight the best practices and key enablers for efficient goods movement across various states.
- **Technology adoption in logistics**: Technology is a significant growth driver of logistics, revolutionizing the way goods are transported, tracked, and managed throughout the supply chain. Technological interventions have helped in improving efficiency, reducing risk, seamless connectivity and visibility. Even on the user end, technology has enabled superior customer experience. Mobile apps, customer portals, and self-service tools empower customers to manage their shipments conveniently and efficiently.

2.7 Challenges & Structural Inefficiencies of Indian logistics

While the Indian logistics sector has a positive outlook, it also faces some intrinsic and structural challenges, which may impact its growth trajectory. Some of the challenges are as follows:

- **Fragmented nature of industry**: Indian logistics is highly fragmented. Domestic transportation and warehousing especially have a large number of small-scale operators and intermediaries. This fragmented nature of the industry leads to inefficiencies, redundant operations, higher amount of wastages and higher overall cost of logistics due to a lack of integration. It also leads to a lack of standardization in processes, documentation and service quality levels.
- **Skilled manpower**: There is a shortage of skilled labor in the logistics sector, particularly in areas such as warehouse operations, transportation management, and supply chain analytics. The lack of trained professionals hampers the industry's ability to adopt advanced technologies and improve operational efficiency.
- **Slower transition to newer technologies**: Another major challenge of the sector is the lack of uniform information technology platforms and slower migration towards newer technology. Organized players are able to transition to newer technologies much faster than small and unorganized players as these firms may lack the resources and expertise to invest in and adopt advanced technologies such as digital tracking systems, warehouse automation, or predictive analytics.
- **Modal Mix**: Logistics modal mix in India is tilted towards roads. Although road network provides flexibility in last mile operations, it also leads to congestion, pollution, road degradation, and higher logistics costs, especially for long-distance compared to rail and waterways. Weaker intermodal terminals and inadequate infrastructure linkages hinder the smooth integration of multiple modes.
- **Shortage of qualified drivers**: Driver's shortages are a major challenge for the logistics industry in India. Ageing drivers, low retention rates, and difficulties in attracting younger drivers are major challenges for the industry. The gap between supply and demand for qualified drivers continues to widen, putting pressure on logistics sector.

2.8 Characteristics sought by business

The logistics planner consistently seeks the most efficient logistics network, aiming to enhance the overall efficiency of the organization at the most optimal cost. While service and cost criteria are explicit, others characteristics have indirect implications, such as storage cost, working capital, associated risk, information availability etc. With the evolving expectations of businesses from logistics, service level consistency and service reliability is a key requirement by businesses.

2.9 Organized Players in Logistics:

Role of organized players is continuously increasing in logistics sector. In newer services like e-commerce, where service quality and technology have a wider role to play in offerings to customer, contribution of organized players is very high. Even conventional services like warehousing have attracted a significant amount of investment and many new warehousing projects are being developed by organized players.

The Indian transport market is highly fragmented, where the share of road transport is highest. Road transportation has highest degree of fragmentation specially in Full Truck Load due to low entry barriers. The portion of road transportation, where network is more critical in delivering services, contribution of organized players is high. In Indian logistics market share of top 10 organized players is less than 2% against estimated 15% -17% in USA.

2.9.1 Growth Drivers of organized players:

With the growth of logistics, share of organized players has also increased in logistics. In the last one-decade, there has been substantial investment from multinational logistics players, private equity and large domestic players in Indian logistics market leading to a more organized approach within the sector. Some of the factors driving demand for organized players is as follow:

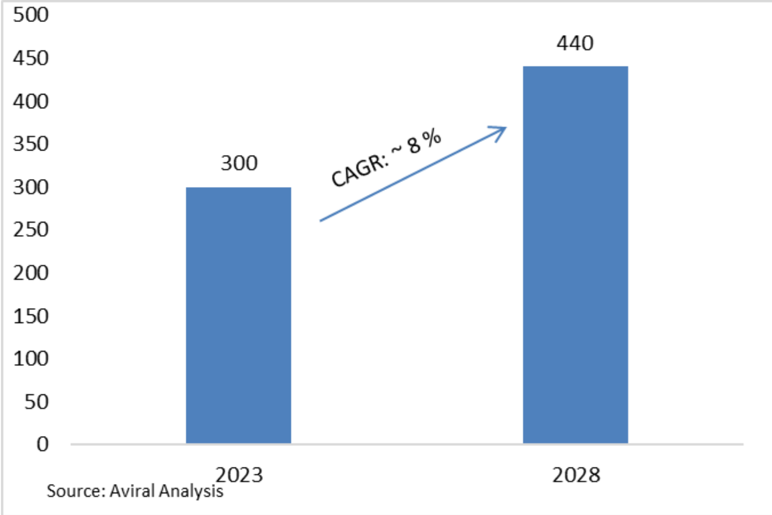
- **Integrated offering**: Due to increasing complexity in supply chain, the need for an integrated offering in logistics is also increasing. Integrated logistics solutions allow for seamless coordination and management of various logistics activities, including transportation, warehousing, inventory management, and distribution. Integrated approach also helps organizations in mitigating risks associated with supply chain disruptions, such as natural disasters, labor strikes, or geopolitical events.
- **Increasing customer service requirements**: With the advancements in technology and growing importance of supply chain management, the expectations of logistics service users is also increasing. Now customers look for higher degree of consistency, real time visibility, flexibility, higher accuracy in fulfilment and responsive customer service. Such changing expectations are providing tail wind to organized players in the logistics industry.
- **Value added service requirement**: Customers are showing a growing interest in value-added services offered by logistics providers, including product assembly, installation, and white-glove delivery. These supplementary offerings not only enrich the overall customer experience but also set logistics providers apart from competitors in the market.
- **Better technology adoption**: Organized players in the logistics industry are increasingly embracing technology to drive efficiency, improve customer service, and stay competitive in a rapidly evolving marketplace. From advanced data analytics and artificial intelligence to Internet of Things (IoT) devices and blockchain technology, logistics companies are leveraging a wide range of innovative solutions to streamline operations and enhance visibility across the supply chain. Automation technologies such as robotics and autonomous vehicles are revolutionizing warehouse management and last-mile delivery, reducing costs and increasing productivity.
- **Regulatory compliance**: Regulatory compliance requirements in the logistics industry are on the rise, driven by factors such as heightened security concerns, evolving trade regulations, and efforts to ensure safety and environmental sustainability. Organized players are more compliant with labor and employment laws, governing issues such as working hours, wages, occupational health and safety.
- **Ability to attract talent**: Logistics sector is a manpower intensive industry facing issues of skill availability. Organized players have the distinct advantage of attracting talent, due to their established brand reputation, professional work environments, and career development opportunities. Moreover, organized logistics firms tend to invest in employee training and skill development initiatives, providing opportunities for career advancement and continuous learning. Organized players focus on fostering a culture of innovation, collaboration, and employee engagement, which enables them to attract and retain skilled professionals.
- **Rural Growth**: With the growth of tier 3 and tier 4 markets, businesses are looking for reliable and efficient services upto such markets.

3.0 Overview of Express Logistics Industry

Express logistics refers to a distinct logistics solution designed specifically for time-sensitive transport needs. Initially focused on small document parcels, its usage expanded over time due to evolving business practices and heightened customer expectations for swift deliveries. Express logistics constitutes a vital component of the broader Courier, Express, and Parcel (CEP) sector. It commands higher price realization compared to Partial Truck Load (PTL) and Full Truck Load (FTL) services, making it less favoured for low-value goods. Express logistics offerings typically include door-to-door pickup and delivery services. Although the CEP traditionally caters to small parcels, time-sensitive or time-bound shipments, portion of time bound partial truck load category also contributes to express logistics. Although no formal academic definition of Express Part Load exists, the provided explanation is based on common industry practice which defines Express Part Load as the service that cater to diverse entities, from individual trading firms to multinational corporations for B2B, B2C and C2C movements.

Presently, express delivery services are integral to efficient business management across a wide spectrum of industries. The global express market was estimated to be around $ 300 Bn in 2023. While the Indian domestic express market is worth around $ 6 Bn in FY 23.

Global Express Market ($ Bn)

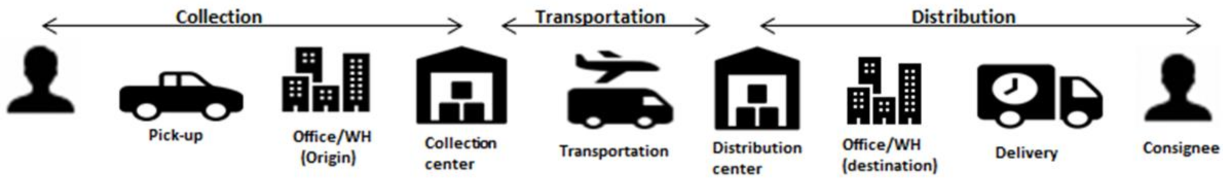


However, as compared to the global market, Indian market is growing at a higher growth rate. This is due to a range of factors such as favorable demographics, rising e-commerce transactions, impetus on manufacturing, growing internet penetration among others. Despite accounting for approximately 3% of total surface transportation in India, the surface express represents the fastest-growing part within transportation.

3.1 Value Chain of Express Logistics:

The express transportation is usually preferred for smaller lot size of goods which may vary from few grams to few hundred kilograms and its network works based on consolidation of cargo from different customers. Operating model in express logistics works on hub and spokes model.

Shipment Flow in Express Logistics



(Source: Adapted from Indian Express Industry-2018 by Deloitte)

As one of the key features of express logistics is providing door to door services, first mile capability is required to collect shipments from shipper location. Goods are initially collected from the first mile collection point and shipped to a nearby hub or warehouse for sorting based on destination areas. In the subsequent stage, the goods are transported from the nearby hub to the hub closest to the destination area through mid-mile operations. At the destination hub, the materials are further organized according to delivery branches corresponding to the delivery addresses. Ultimately, the goods are locally delivered from the branch to the consignee via last mile services. The movement of goods from the shipper to the local branch or from the local branch to the consignee is referred to as feeder movement, while the hub-to-hub movement is known as linehaul movement.
In this operation, transportation mode in mid mile varies as per time sensitivity of movement and requirement of customers. Normally in case of express logistics via surface mode, mid mile operation is controlled by logistics service organization. But in case of air mode, very few companies operate their mid mile routes, instead players usually rely on belly cargo of commercial airlines for movement.

3.2 Operating model of express logistics

The express industry operates on an asset-light and network-driven business model, regardless of whether it's operating domestically or internationally. Despite its asset-light nature, the entry barriers in the express domain are significant due to the need for establishing a robust network. The industry typically operates on a hub-and-spoke model across all its subcategories, including B2B express logistics, international express logistics, B2C (e-commerce), and document courier services.

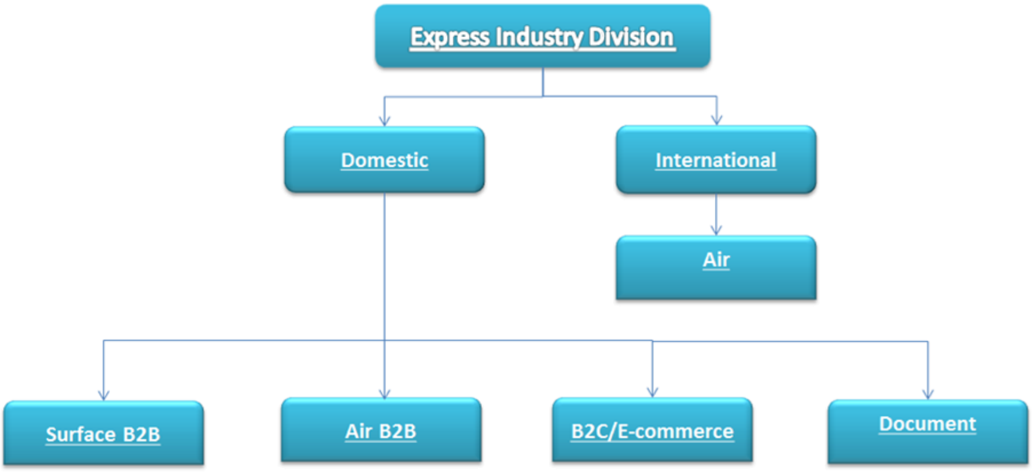
Key operational activities such as hub/transshipment centre, processing centre, and sorting centre are typically managed in-house and not outsourced across the industry. However, the first mile and last mile operations are often fully outsourced to vendors or small entrepreneurs.

For network expansion across different geographical regions, various players have adopted different strategies. Some opt for an owned approach, while others prefer a franchised approach or a hybrid model combining both.

Allcargo Gati's asset-light model that has enabled them to offer a variety of flexible, scalable, solutions and services based on our client's requirements and handle complexities that are unique to the Indian logistics industry

3.3 **Express Logistics Segmentation**:

Express logistics market can be split based on various characteristics as follow:



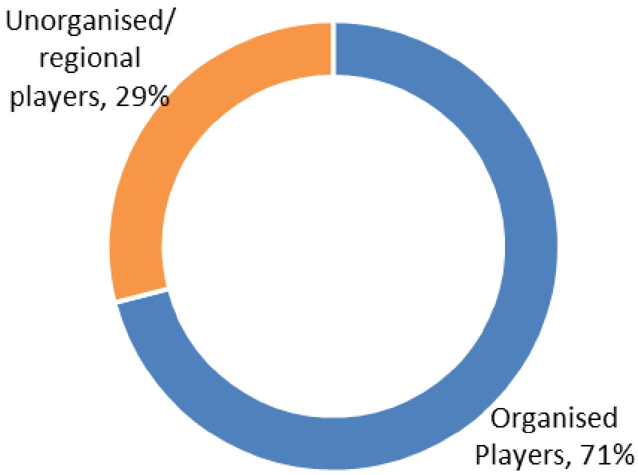
Source: Aviral ICC report on express logistics

Express logistics is categorized into Domestic and International based on the origin and destination pair. At the next level, express services can be divided based on transportation mode, service user profile and shipment profile. In case of international express shipments, air services are the default mode of transportation. While in case of domestic movement transportation mode can be air and surface. On the other side, service user profile divides the express logistics as B2B and B2C. B2C is largely driven by e-commerce shipments.

3.4 **Organised Vs Unorganised Express Players**:

The logistics sector is fiercely competitive, marked by a multitude of unorganized participants. Several parts within the industry are highly standardized and have minimal barriers to entry or exit, contributing to a landscape characterized by significant fragmentation. But express industry is largely organised across globe. Organised sector holds approx. 71% of express B2B logistics in India and rest is with unorganised or small regional players. While in B2C express logistics share of organised players is more than 90%.

Organised Vs Unorganised in B2B express (FY 23)



Source: Aviral Research

Organised players enjoy a competitive advantage over their smaller counterparts due to their expansive networks and robust infrastructure. While smaller companies may possess advantages such as a lower-cost structure and deeper local networks in specific areas, they often struggle to expand beyond their niche markets. Over time, as large players continue to expand their networks and scale their operations, the industry is anticipated to become increasingly organized, with smaller players either exiting the market or being acquired by larger entities.

Allcargo Gati has a wide network to carry out operations covering 99% of districts and government approved pin codes through our 655 offices in India as of February 29, 2024. Being a dominant organized player, Allcargo Gati is well placed to deal with competition from smaller players in the market and capture the market share of smaller players as the industry moves towards organised players.

3.5 Parcel, Express and non-time sensitive PTL:

Express logistics is part of Courier Express and Parcel (CEP) industry globally. Normally shipments under 40 Kg weight slab fall in this portion with a time defined delivery. With the growth of B2B logistics, shipment in weight bracket of few Kg to few hundred Kg with time sensitive movement created an additional category. This category was similar to part load as per shipment profile, but identical to CEP in terms of time sensitivity and door to door service. Over a period of time this category was considered as part of express logistics in spite of no standard definition.

3.6 Key features of express logistics sought by service providers:

Express logistics add value by providing in customers supply chain through 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. So, selecting the appropriate logistics service partner can yield a considerable influence on an organization's operational costs and customer service standards. This, in turn, directly affects performance metrics of the company that has hired the logistic partner. Normally express logistics services are used to optimise transit time and cost of shipping for smaller load along with safety of shipments. Key parameters sought by express service users are as follows:

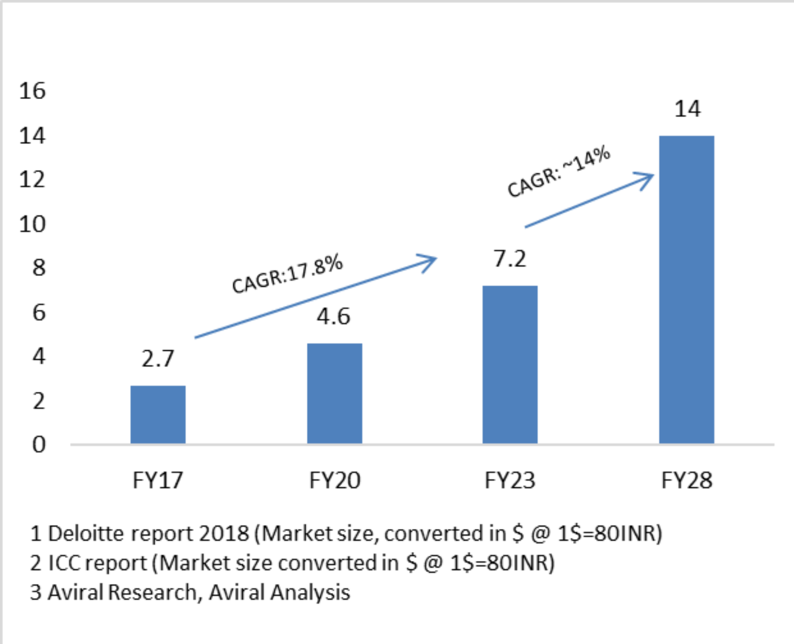
- On time delivery
- Reliability of delivery
- Reach of the service provider
- Safe handling
- Visibility
- Responsiveness
- Proactive information sharing

Normally Cost, and transit time are key explicit features that customers look for in express logistics, which are visible. But customers look for other aspects along with these two, which includes technology, ease of reverse logistics, reach of network and reliability. Overall cost includes factors like shipping cost, cost of stockout, inventory cost etc. In the express logistics, customers look for consistency of services and reliability.

4.0 Indian Express Logistics Market

The Indian express industry has undergone a rapid evolution, adapting to the changing business landscape within the country. Indian express logistics market, which is estimated to be more than $7 Bn per annum, comprises of domestic and international B2B surface express, B2B air express, B2C (e-commerce) and document movement. Historically, the express industry has grown twice the growth rate of GDP, but in last few years industry has grown at faster pace due to sharp rise of ecommerce logistics. With the anticipated increase in economic activity, the demand for both business-to-business (B2B) and business-to-customer (B2C) express delivery services is expected to grow. This surge in economic activity is projected to drive increased express movement within both domestic and international markets.

Express Logistics Market Size in India ($ Bn)



Out of total $ 7.2 Bn door to door time bound express logistics market, the domestic express market is the dominant, estimated to be at $6 Bn in FY23. It has has grown at a CAGR of 17.5% in last six years. For the period of FY17 to FY20, the industry grew at a CAGR of 19%. Post that from FY20 to FY23, the growth rate tapered down due to slower growth in B2C logistics. The domestic express logistics is estimated to reach a size of $14 Bn by FY28. at constant currency conversion rate.

Out of total express logistics market, the Surface B2B express market is estimated to be at $1.8 bn for FY 23, which contributes to approximately 25% of the express logistics market in India. B2B Surface express market has grown at CAGR of 13% for the period of FY 17 to FY 23.

Industry estimates suggests that B2C express volumes are expected to grow with CAGR of approximate 18% for the period of FY23 to FY28.

Other services like document, B2B air and international express contributes 29% of the door-to-door express logistics. Out of these, document has registered decline in last few years and expected to continue in same trend due to increasing digitization. On the other hand, the international express is expected to grow at healthy rate subject to geopolitical stability. Air express will continue to grow at alow single digit growth rate.

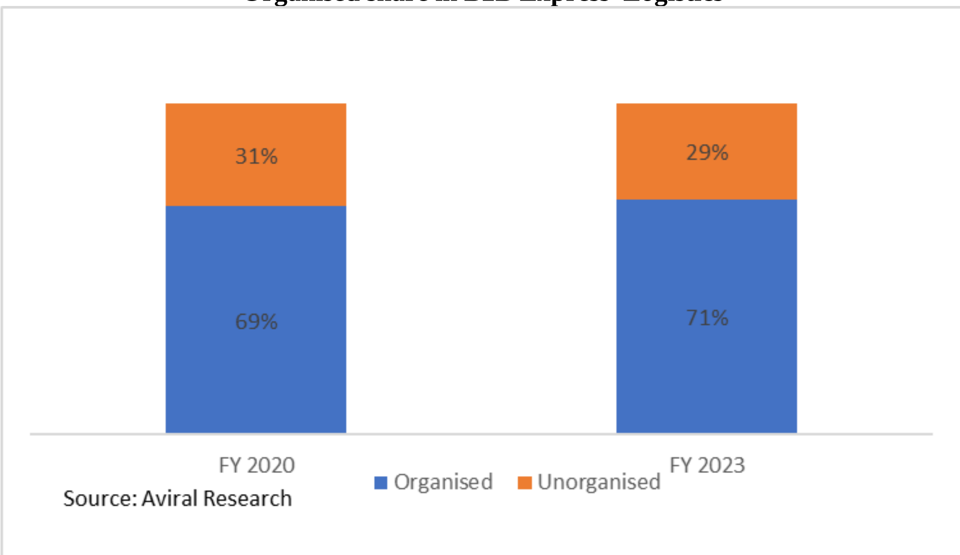
4.1 Market penetration of organised players:

Organised and large players command more than 3/4th of the express logistics market. Express logistics is a business of reach, network and discipline, wherein large organised players can work in an efficient way.

The Indian express industry boasts approximately 1,000 active players, showcasing a diverse, fragmented market landscape. But few organised express players clearly stand out compared to large count of unorganised players. In case of surface express, the top 10-12 organised players account for approximately 71% of the market and their share has increased by 2% in last three years. In the realm of business-to-consumer (B2C) express logistics, organized players hold a significant share. Large portion of B2C logistics is undertaken by the captive arm of two major e-commerce market place. More than 90% of B2C delivery market is divided between 2 captive players, 5 new age express logistics player and 2 conventional logistics service providers. Rest of the market is divided between small, or city specific logistics service providers.

With the increasing level of organized play in express logistics, major players like Allcargo Gati will benefit, as the company has a robust national network and complete range of service offerings in surface and air express logistics.

Organised share in B2B Express Logistics



International Air cargo industry is highly organized due to regulations of international body (IATA). In India more than 75% of the international air cargo market is organized and rest of the market share is commanded by small regional players, who work as part of consortium for connecting the shipments and delivering it. This market has also seen the trend of increasing share of organised players.

4.2 Key Growth Drivers of Express Logistics

- **Economic Growth**: Economic growth and expansion of express logistics services often goes hand in hand. Historically express logistics grows at twice the pace of economic growth. As economies flourish, there is a heightened demand for efficient and rapid transportation of goods, leading to an increased reliance on express logistics solutions. As per IMF, Indian economic growth is projected at 6.8% in 2024 and 6.5% in 2025,which is a good indicator for express logistics as well.
- **Make in India**: The growth of the manufacturing industry directly benefits the logistics sector. With the push of make in India many global players are establishing manufacturing facilities in India and these companies also seek to outsource their entire logistics to specialised players. Government has declared performance linked incentives for 14 Sectors . Most of the sectors use significant quantum of express services in their logistics.
- **Growth in e-commerce sector**: The rise in e-commerce was fuelled by growth in internet penetration and digital payments infrastructure across the country. Initially, e-commerce activity was mainly restricted to major metro cities and urban centers. However over the past couple of years, e-commerce activity in the tier-2 and tier-3 cities as well as various towns across the country has increased, driving the growth of express industry. Growth of e-commerce logistics is estimated at around 18% and market size is projected to cross 10 Bn shipments per year by FY 28 from 4 bn in FY 23.

- **Regulatory Changes**: Initiative like GST, e-waybill and e-invoicing and infaces between them has pushed service users for adopting structured processes and use of organised sector. The E-way bill has eradicated the need of delays at the check post in every state resulting in improved transit time. The introduction of e-invoices with e-way bill has reduced the probability of malpractices in shipping material.
- **Increasing customers expectation**: In line with overall change in consumer behaviour, industrial clients now anticipate receiving shipments quicker, with greater flexibility, transparency, and at a reduced cost. This has become a positive thrust for express logistics, especially in B2B space.
- **Growth of SME/MSME sector**: Small and Medium Enterprises (SMEs) offer a substantial opportunity for express logistics firms, as numerous SMEs currently depend on informal logistics services. It is expected that in the future, the contribution of the SME sector to the organized express market will increase.
- **Technology adoption**: Express logistics has always been ahead in curve of technology adoption compared to other sub-sets of transportation. With the growth of information technology and value unlock potential from data analytics, service users look for a partner having better interfaces and tech driven approach. This has led to tailwind for the express logistics
- **Government Focus on supply chain efficiency**: Introduction of New Logistics Policy, Project GatiShakti, Unified Logistics Interface Platform (ULIP), Logistics Efficiency Enhancement Program (LEEP) has pushed the mobilisation of organised logistics. Movement in logistics towards the organised sector is a positive driver for express logistics.
- **Logistics infrastructure growth**: Growth in logistics infrastructure helps to improve efficiency in logistics. In case of express logistics, this has a direct impact on better turnaround time, better connectivity. Projects like Bharatmala, Sagarmala, Dedicated Freight Corridor (DFC), PM GatiShakti, development of airports etc are pushing for higher adoption of express logistics along with improvements in performance levels.
-

4.3 Domestic B2B Air Express Logistics:

Domestic air express is relatively a small market compared to surface express. The domestic air express business to business (B2B) is used by corporates to deliver materials which are extremely time sensitive or are perishable in nature. The average time of delivery of goods is 1 day to 2 days depending on connectivity. The express cargo movement by air takes place by two ways as 1) Dedicated Air freighter and 2) Belly Cargo. Most of the dedicated air freighter operate as charter service, while few operates as a scheduled service catering to requirement of express logistics industry. Charter aircraft in air is very similar to FTL for surface movement. Even in case of part load through air mode lodgment happens in two ways:

- Door to Door (D2D)
- Port to Port (P2P)

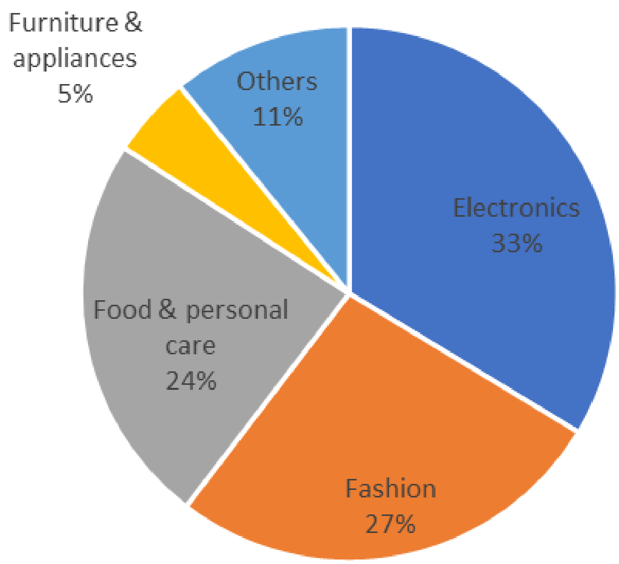
In FY 23, Indian airports handled 1294 thousand tons of air cargo. But most of the movement remains through charter of port-to-port mode. The growth of air express market is relatively slower than surface express. Due to high unit cost of transportation, shippers use air mode based on specific requirements, due to which its future growth outlook is also in low single digit. Market size of door to door B2B air express is estimated to be approx. $0.4 bn.

Allcargo Gati is one of the fewexpress service providers, that also offers door to door air express services, with operations spread across the length and breadth of the country.

4.4 B2C Express Logistics:

The ascent of E-commerce, both in India and globally, is a remarkable narrative unto itself. It has empowered customers with the ability to purchase goods effortlessly, greatly enhancing convenience. Customers are now more informed about products before making online purchases and have elevated service expectations. India’s e-commerce market is expected to reach $ 111 billion by 2024. As the E-commerce industry grows, the B2C express services are bound to grow. In e-commerce business, turnaround time, from order to receipt of product, is most critical factor for buyers and has impact on decision making. Under e-commerce channel, electronics and fashion are two major categories contributing more than 60% of gross merchandise value. Although the growth rate of B2C logistics has tapered down, it is still fast growing within express logistics. Many small players in the B2C logistics are facing challenges to sustain in the market. Over period of time some small unorganised players have become vendors to large e-com logistics service providers.

Category contribution in e-commerce



Source: Aviral Analysis

Key trends in B2C logistics

- Two out of top 3 e-commerce marketplace players are using their captive logistics network for majority of their logistical requirements and third player is in the process of developing captive network
- Captive companies moving to other shippers in order to expand their customer base
- Faster growth of D2C shipment on a smaller base compared to marketplace
- Increasing demand from smaller towns for lower merchandise value products
- Increasing outsourcing of logistics activities
- Openness towards use of plug and play model in e-fulfilment services
- Reduction in COD and RTO shipments
- Ease in process of reverse logistics

4.5 Role of SME and MSME in Express logistics:

Micro, Small, and Medium Enterprises (MSMEs) play a pivotal role in the express industry, primarily falling under the B2B logistics. While individual MSME enterprises typically generate lower volumes, their collective presence forms a substantial portion of the overall express business in India. According to market estimates, the MSME contributes significantly to express logistics market and accounts for approximately 45%-50% of the B2B express market.

The MSME sector is crucial for the financial well-being of the express logistics industry for two main reasons. Firstly, logistics companies tend to realize higher unit costs from MSMEs due to their lower shipment volumes and limited bargaining power. Secondly, a considerable portion of micro and small enterprises opt for cash and carry transactions, thereby enhancing the working capital and liquidity of express logistics firms. In order to extract full logistics potential of these micro and small enterprises, some of the express players have created dedicated business vertical for them.

Nevertheless, MSMEs present a significant opportunity for express logistics companies, as many currently rely on unorganized logistics providers. In the future, it's anticipated that the contribution of the MSME sector to the organized express market will grow. A large share of MSME business in logistics goes to unorganised or organised Part load players, this represents a large opportunity for express logistics.

Allcargo Gati has a significant presence in the MSME market and is well placed to benefit from the growth of MSME sector. The company has a targeted approach towards MSME clients, that will help the company to gradually eat into unorganized players' share of the MSME market.

4.6 Key Players in Express Logistics:

Express market is highly organized and competitive in the domestic transportation industry. The major players of the organized B2B express logistics industry account for almost 55%-60% of market are as follows:

- Allcargo Gati
- Blue Dart
- Delhivery
- Safexpress
- TCI-Express

Apart from above, other organised B2B express players includes few integrated logistics service providers like DP World Express, Rivigo by Mahindra, and e-com logistics service provider like Xpress bees.

Allcargo Gati is one of India's oldest and leading B2B express logistics players. The company was founded in 1995 and possesses more than three decades of expertise in the B2B express logistics domain.

In B2C express space 5-6 major players dominate the market apart from two captive express logistics companies of Amazon and Flipkart. Major players of B2C logistics are as follow:

- Blue Dart
- Delhivery
- E-com express
- Elastic Run
- Shadowfax
- Xpressbees

Company Name	Total Revenue (In INR Cr)			EBIT % of Total Revenue			Profit After Tax % of Total Revenue		
	FY24	FY23	FY22	FY24	FY23	FY22	FY24	FY23	FY22
Allcargo GATI Limited	1,710	1,746	1,505	-0.3%	1.9%	1.0%	0.4%	-0.6%	-0.3%
Blue Dart Express Limited	5,319	5,204	4,441	8.9%	11.0%	14.3%	5.7%	7.1%	8.6%
Delhivery Limited	8,594	7,530	7,038	-1.7%	-13.0%	-13.2%	-2.9%	-13.4%	-14.4%
Mahindra Logistics Limited	5,524	5,144	4,154	0.7%	1.7%	1.4%	-1.0%	0.5%	0.4%
TCI Express Limited	1,261	1,248	1,090	13.9%	14.9%	15.9%	10.4%	11.2%	11.8%
VRL Logistics Limited	2,910	2,663	2,410	6.8%	9.6%	10.5%	3.1%	12.1%	6.6%

Company Name	Return on Capital Employed (%)			Fixed Assets (In INR Cr)			Debt Equity Ratio		
	FY24	FY23	FY22	FY24	FY23	FY22	FY24	FY23	FY22
Allcargo GATI Limited	-0.7%	4.2%	1.9%	64	73	67	0.2	0.2	0.2
Blue Dart Express Limited	30.9%	46.0%	66.6%	1,047	634	590	0.2	0.2	0.2
Delhivery Limited	-1.5%	-12.5%	-19.6%	932	795	623	0.0	0.0	0.1
Mahindra Logistics Limited	4.2%	11.1%	9.5%	202	197	188	0.7	0.7	0.1
TCI Express Limited	26.9%	32.9%	35.5%	419	344	315	0.0	0.0	0.0
VRL Logistics Limited	16.7%	26.3%	33.5%	1,198	999	747	0.3	0.2	0.2

Source: VCC edge, Aviral Analysis

5.0 Supply Chain Solutions Market

Supply Chain Solutions is broadly defined as the inclusive process from sourcing to distribution at the final point of sale. It integrates conventional logistics activities with supply chain management processes. It encompasses an end-to-end supply chain management offering, which provides supply chain design, access to multi-modal transportation, inbound logistics, outbound logistics, warehousing, cold chain as well as other relevant value-added services including, repackaging, reverse logistics etc. Third party logistics service providers offering complete solutions become a single window solution for all logistics and supply chain needs of an organization. Outsourcing to such 3PL service provider helps in improving efficiency and creating value for the organizations. Supply Chain Solutions logistics is a niche service which requires specialized capabilities and an in-depth understanding of overall value chain.

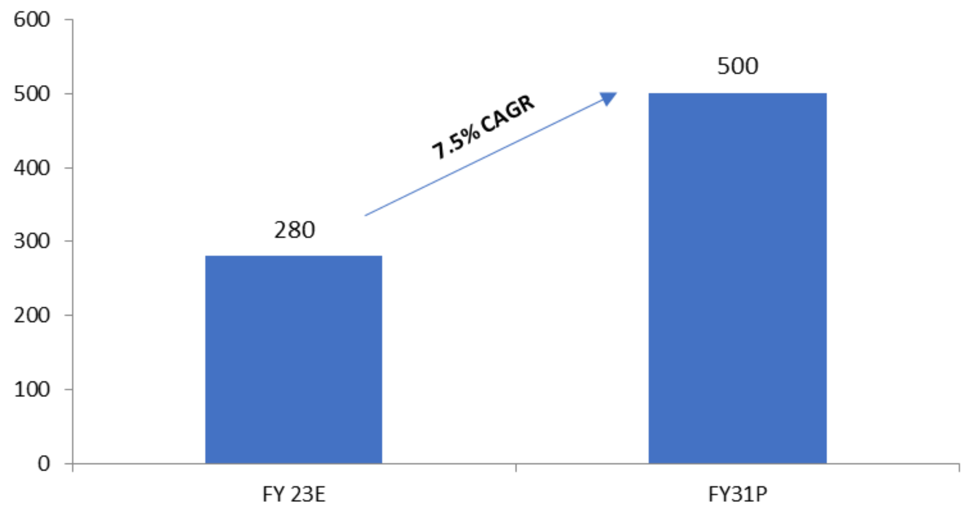
Edge of organized Supply Chain service provider over smaller, unorganized player
• **Pan-India presence** • **Better scalability and flexibility.** • **Solution-driven capability** • **Technology driven implementation.** • **Cost-effective solutions** • **Professional management** • **Single Window Solution**

Earlier customers used to limit outsourcing contracts for routine, transactional and commodity-led logistics services, instead of more innovative, strategic services. But in last one-decade, specially post GST implementation and ecommerce growth, outsourcing pattern has changed and companies has started migrating from small and unorganized warehouse service providers to organized supply chain service providers for integrated services in order to improve their supply chain. Now, companies are more open to outsource complete supply chain activities to the organizations having functional expertise.

Allcargo Gati's is well placed to benefit from this trend. The company's supply chain management solutions provide complete management of customers' supply chain through technology enabled fulfilment centres.
Supply chain solutions market is relatively fragmented with many local and international players. All major players have invested significantly in their IT and solution design capabilities in order to differentiate themselves from small supply chain solution players. Most supply chain solution service providers use an asset-light model which enables them in offering operational flexibility and scalability along with cost efficiencies to their customers.

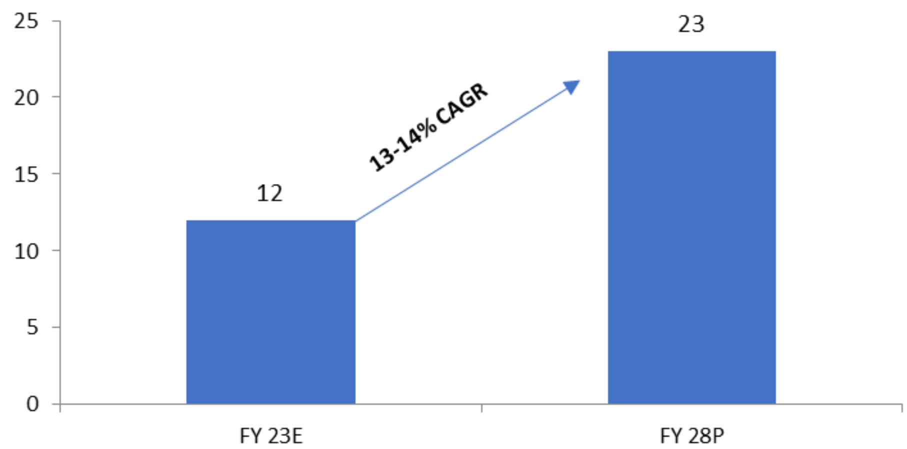
As per industry estimates the global contract logistics market was valued at $280 billion in 2023, and is projected to reach more than $500 billion by 2031, growing at a CAGR of 7.5% from 2024 to 2031.

Global Contract Logistics Market ($ Bn)



As per industry estimates, the Indian supply chain solution market was value at $12 billion in FY 23, and is projected to grow at a CAGR of 13-14% per annum to reach $23 billion by end of FY28. Sectors such as automobiles, e-commerce, consumer goods, organized retail, and high-end engineering are expected to be driving growth

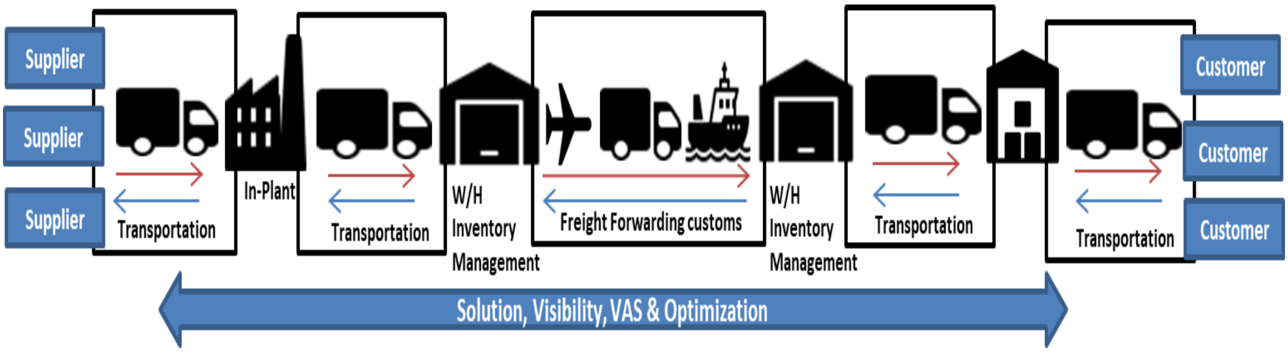
Indian Supply Chain Solution Market ($ Bn)



Source: Industry Estimate & Aviral Analysis

5.1 Value Chain of Supply Chain Solution:

Supply chain solutions integrate the system and resources required to move a product or service from supplier to customer. It encompasses various activities like inbound logistics, in plant logistics, outbound logistics, reverse logistics, warehousing, inventory management, order fulfillment along with other value-added services like packaging, bulk breaking, bundling or other tailored services.



5.2 Growth Drivers – Supply Chain Solution

Penetration of supply chain solution market is poised to grow in the logistics sector. The growth of the market is driven by several factors, including the introduction of tax reforms, initiatives for service provider, the growth of the e-commerce sector in India, and an increase in investments for third-party logistics startups in India. It is also imperative to have an organized and tech-driven operational infrastructure for an efficient supply chain.

Another factor that leads to the demand for supply chain solution companies in India is the changing business scenarios that has pushed corporate move towards solutions experts to handle their operations. Specialized solution providing third-party logistic providers can change the way of business execution and take a business to greater heights with cost reduction. Companies are moving to supply chain solution services in order to focus more on core business, to improvise supply chain efficiency, and operations management.

Based on industry specific requirements, sectors such as automobiles, e-commerce, FMCD, organized retail and high-end engineering are expected to have high growth potential. Key drivers for the growth of supply chain solutions are as follow:

- **End user Industry Growth:** Rapid growth of e-commerce industry has given major boost to 3PL players. The volumes are so high that few large e-com players have started captive organizations for their requirements. But captive companies are not able to manage complete scale of operation, leading to more outsourcing.
- **Increased level of outsourcing to focus on core operations:** Increased level of 3PL outsourcing as end user companies are focusing on core functions such as manufacturing, marketing and sales. In such case outsourcing of strategic end-to-end logistics solutions improves efficiencies and gives more leverage to focus on growth rather than managing non-core services such as only transportation/ storage
- **GST & Consolidation:** GST has abolished the distribution model based on geopolitical boundaries of states. Now companies are moving to consolidation based on economic and service efficiency. Consequently, 3PL has gained an edge over 2PL operators.
- **Scope of flexibility and scalability:** Core strength of a 3PL player lies in its operation, scalability and flexibility. In the post pandemic era. When agility of supply chain is the need of the hour, outsourcing of logistics activities to a solution provider gives option of flexibility and agility
- **Ease of availing Value-added services (VAS):** Due to core expertise of 3PL players, outsourcing of VAS becomes much easy.
- **Make in India:** Boost in manufacturing industry directly helps the logistic sector. Today when more and more multinational corporations are entering Indian space and setting up their manufacturing facilities, these companies are looking to outsource their entire logistics function instead of just transport and / or warehousing needs.
- **Tech enablement**: Changing consumer demands for tech enabled and innovative solutions and competency of supply chain solution providers. Established organized players have better tech adoption in the industry.
- **Policy Support**: In order to become competitive on the global landscape, Government is focusing for efficient supply chain and extending policy support to organized service providers
- **Efficiency and throughput:** Consolidated large and efficient warehouses instead of smaller units may increase the distance between customers and fulfillment centers. As a result, integrated solutions for

warehousing, transportation, and express delivery services, and other related solutions can add value to their customers.

Allcargo Gati's long-standing relationships with clients in key supply chain sectors such as the automotive, pharmaceutical, retail/textile, and e-commerce industries, coupled with its ability to design customized integrated logistics solutions, position the company as an optimal solution provider across various industry verticals

Technological integration of supply chain management leads to improved efficiency. One of the major player, Allcargo Gati’s supply chain management solutions provide complete management of customers’ supply chain through their technology enabled fulfilment centres.

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the section titled "Forward Looking Statements" on page 15 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our Company's strengths and its ability to successfully implement its business strategies may be affected by various factors that have an influence on its operations, or on the industry in which our Company operates, which may have been disclosed in the section titled "Risk Factors" on page 41. This section should be read in conjunction with such risk factors.

*Unless otherwise indicated, industry and market data included in this section has been derived from the report titled "*Indian Express Logistics Industry*" dated June, 2024 (the "Aviral Report") prepared by Aviral Consulting Private Limited ("Aviral Consulting"). This section should be read in conjunction with the "Industry Overview" on page 134. Neither we, nor the BRLMs, nor any other person connected with the Issue has independently verified this information. Our Financial Year ends on March 31 of each year, and references to a particular Financial Year are to the 12- month period ended March 31 of that year.*

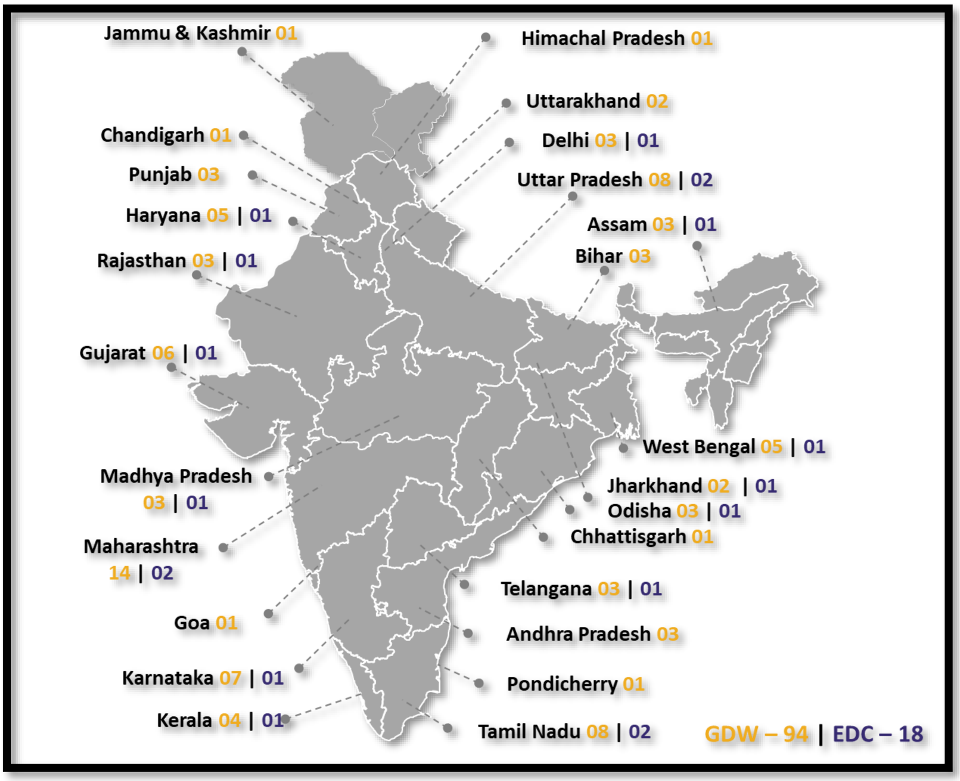
Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Audited Consolidated Financial Statements included in this Placement Document in "Financial Information" on page 242.

Unless otherwise stated, references in this section to "we", "our" or "us" (including in the context of any financial information) are to our Company along with our Subsidiaries and Associate, on a consolidated basis. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Risk Factors", "Industry Overview" and "Management's Discussions and Analysis of Financial Condition and Results of Operations" on pages 41, 134, and 85, respectively, as well as the financial and other information contained in this Placement Document. Additionally, see "Definitions and Abbreviations" on page 20 for certain terms used in the following section.

OVERVIEW

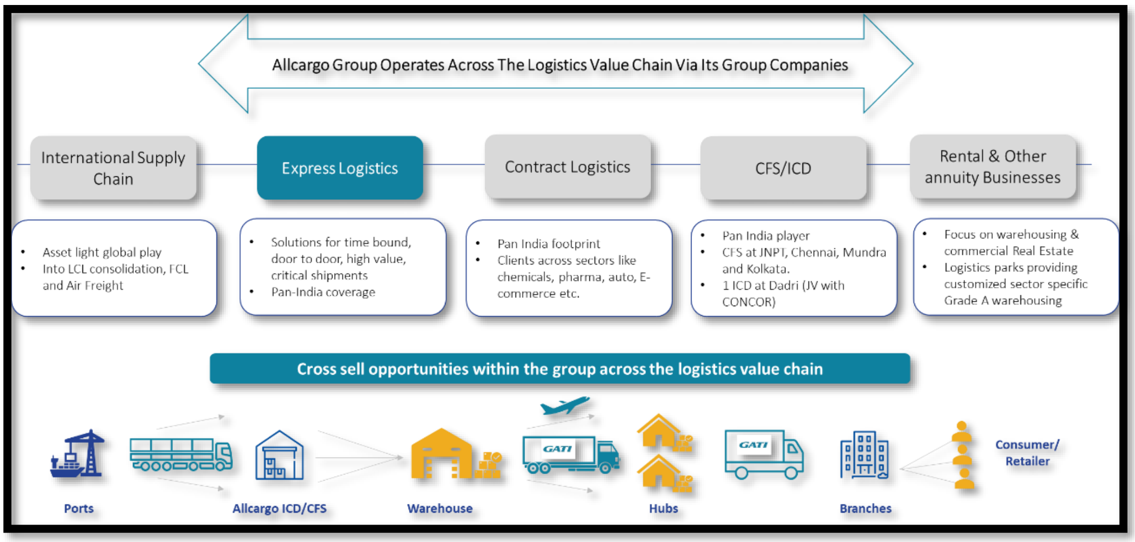
Our Company was incorporated in 1995 and is one of India's oldest and leading express logistics players based on Aviral Report. We are engaged in the business of providing logistics solutions to our clients including express distribution which includes surface distribution and air freight and supply chain management solutions. We have built a pan-India network to carry out our operations covering 99% of districts and government approved pin codes.

We operate a total of 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 as of April 30, 2024 as presented below –



Additionally, we are in the process of upgrading the infrastructure capabilities by setting up new Operating Units and upgrading the infrastructure of the existing Operating Units. Under phase one of this infrastructure upgradation we have set-up six major surface transit centres (Operating Units) which are now operational and under phase two, we propose to upgrade more such major Operating Units. The six new Operating Units are at Farukh Nagar, Nagpur, Mumbai, Indore, Guwahati and Bangalore.

Our Company is part of the Allcargo group of companies ("**Allcargo Group**") which is a logistics conglomerate providing services like less than container load consolidation, full container load, air freight, contract logistics, container freight stations, inland container depots and logistics parks. The chart provided below is a representation of the range of services provided by the Allcargo Group.



Our express distribution services consists of surface express logistics and air express logistics. Our surface express distribution is carried out through a technology enabled tracking system and a network of approximately 5,000 trucks contracted by us to endeavor on-time deliveries as of April 30, 2024. We provide air express distribution across cities of India through our direct tie-ups with few of the major commercial airlines in India. Our express distribution services are customizable as per the customer's requirement.

Our supply chain management solutions provide able management of customers' supply chain. We also provide inventory and purchase order management. Our supply chain management services are customizable as per the requirements of the customer. As on the date of this Placement Document, our Company also owns and operates fuel stations and the revenue from operations in Fiscal 2023 from our fuel station business was ₹ 254.44 crores. However, as part of our corporate strategy of divesting the non-core assets, we have initiated the divestment of these fuel stations which is currently pending approval from oil management companies.

We maintain a long-standing relationship with our clients with engagements ranging up to a decade. Our clients include companies in the automotive industry, pharmaceutical industry, retail/textile industry and e-commerce.

The following table provides a snapshot of our key financial and operational metrics as of and for the respective periods indicated below:

Particulars	**As of and for the Fiscal ended March 31,**		
	2024	**2023**	**2022**
Revenue from operations from express distribution services *(in ₹ crores)*	1,413.44	1,418.95	1,219.52
Revenue from operations express distribution services *(as a % of total revenue from operations)*	83.24	82.35	81.85
Revenue from operations from supply chain management solutions *(in ₹ crores)*	60.89	46.97	39.77
Revenue from supply chain management solutions *(as a % of total revenue from operations)*	3.59	2.73	2.67
Gross profit *(in ₹ crores)*	368.35	415.83	340.83
EBITDA *(in ₹ crores)*	63.41	92.91	49.69
Profit/(Loss) before Exceptional Items and Tax *(in ₹ crores)*	(35.55)	4.34	(12.55)
Express volume *(in kt)*	1,226. 83	1,133.18	972.79
Express volume growth (%)	8.26	16.49	21.67
Delivered in full and on time (%)	89.26	90.17	75.90
Pick-up in full and on time (%)	99.76	97.17	95.66
Cost per kilogram *(₹)*	9.54	9.98	10.05

ACQUISITION OF OUR COMPANY

Our Company was incorporated in 1995 and has completed over three decades as one of India's oldest and leading express logistics company *(Source: Aviral Report)*. Our Company (*erstwhile Gati Limited*) was acquired by Allcargo Logistics Limited with an initial stake of 46.86% in Fiscal 2020 which was further increased to 50.20% in Fiscal 2022 through a mix of primary and secondary purchase of Equity Shares (the "**Acquisition**"). Prior to the Acquisition, during Fiscal 2016 to Fiscal 2020, our Company reported revenue CAGR of 0.66% and EBITDA CAGR of (23.87)% on consolidation basis. Since the Acquisition, the Board has taken several measures to facilitate the growth of our Company.

One of the key changes post the Acquisition for realigning the business was to focus on the divestment of non-core businesses and disposal of non-core assets. Accordingly, our Company exited the non-core businesses such as the cold chain business of our Subsidiary, namely Gati Kausar India Limited and have also initiated the divestment of our fuel station business, which is currently pending approval from oil management companies. Further, in line with our asset-light model we have also sold-off certain non-core assets such as fleet, land and building. The proceeds from the sale of the non-core assets were utilized for reducing debt and clearing contingent liabilities. Post the Acquisition our Company has significantly improved its financial position, reducing net debt on a consolidated basis from ₹395.00 crores in Fiscal 2020 to a cash-positive position of ₹31.14 crores in Fiscal 2024.

BUSINESS OPERATIONS

We are engaged in the business of providing logistics solutions to our clients including express distribution which includes surface distribution and air freight and supply chain management solutions. Our business is based on an asset-light model which has enabled us to utilize our capital towards improving our Operating Units and providing customizable logistical solutions to our clients.

Express distribution

Our express distribution services consist of surface express logistics and air express logistics. Our surface express distribution is carried out through a technology enabled tracking system and a network of approximately 5,000 trucks as of April 30, 2024 were contracted by us to endeavour on-time deliveries. We have built a pan-India network to carry out our express logistics operations covering 99% of districts and government approved pin codes through our 657 offices in India as of April 30, 2024 *(Source: Aviral Report)*. We operate a total of 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 as of April 30, 2024.

We provide air express distribution across cities of India through our direct tie-ups with few of the major commercial airlines in India. Our express distribution services are customisable as per the customer's requirement.

For instance, for one of our clients who wanted to explore eco-friendly logistics solution, we customised a sustainable and eco-friendly express distribution solution which included pick-ups using greener vehicles and local delivery done partly through electronic vehicles.

Supply chain management solutions

Our supply chain management solutions provide management of customers' supply chain through our technology enabled fulfilment centres. We also provide inventory and purchase order management. Our supply chain management services are customizable as per the requirements of the customer.

For instance, we have in the past assisted an Indian corporate by offering customised technological solution for improving inventory management and service levels and was done by assigning a dedicated team by us for the client. The services provided by us included (i) an API rollout to integrate the systems of the client, (ii) providing in-plant support and key responsibility area tracking to improve service levels, (iii) providing dedicated customer service, and (iv) setting up thermal printers for label printing and hand-held terminals for scanning of dockets.

Note – (1) As on 30th April, 2024; * Trucks are 3rd party

COMPETITIVE STRENGTHS

Integrated portfolio of end-to-end express and supply-chain solutions offered through a pan-India network

Our integrated multi-modal transportation network comprising surface and air transportation, helps to ensure timely deliveries across India. We have built a pan-India network to carry out our operations covering 99% of districts and government approved pin codes *(Source: Aviral Report)*. We carry out our operations through our 657 offices in India as of April 30, 2024. Our pan-India warehousing facilities also play a crucial role in offering customized supply chain solutions to customers across various industries.

As of April 30, 2024, our distribution centres are spread across India with an area covered of approximately 3.85 million sq. ft. Our supply chain network in India consists of 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).

As a part of our express logistics service, we provide our customers with both first mile and last mile assistance through our owned customer convenience centers (CCCOs), Gati distribution warehouses (GDWs) and franchisee convenience centers (CCCFs).

Our business development and solutions design functions are dedicated to, and specialize in, designing customized integrated logistics solutions for our clients, which we believe have helped improve service levels and scalability of our clients' supply chain. This, along with a combination of our pan-India logistics and transportation network and diversified service portfolio, has made it possible for us to attract and retain clients across various industries. We maintain a long-standing relationship with our clients with engagements ranging over a decade. Our clients include companies in the automotive industry, pharmaceutical industry, retail/textile industry and e-commerce.

An asset-light business model providing scalability and capital efficiency

Our express logistics and supply chain business is primarily based on an asset-light business model wherein majority of our assets have been leased from third parties including our Operating Units and even the trucks used by us. Having an asset-light model has enabled us to offer a variety of flexible, scalable, solutions and services based on our clients' requirements and efficiently handle operational difficulties. As on the date of this Placement Document, we do own certain non-core assets such as fuel stations, which we are in the process of divesting.

This business model also allows us to manage any fluctuations in demand more efficiently and minimize any adverse effects resulting from cyclical movements as the shipments are managed through third party network partners and the requirement of warehouses and trucks can be adjusted based on the demand. Over the years we have built long-standing relationships with our business partners who provide us with the operating assets required for our business with some of the engagements ranging approximately to a decade. We believe that the flexibility created by having an asset light model enables us to serve the requirements of customers from various industries.

Presence across various industries with long-standing client relationships

We provide our services to clients across various industry sectors such as automotive, pharmaceuticals, textile and e-commerce. We maintain a long-standing relationship with our clients with engagements ranging approximately to a decade. We believe that our execution capabilities and service quality standards has resulted in lasting engagements with our key clients.

Experienced management team with strong domain expertise

We have an experienced and qualified Board, key managerial personnel and senior management team, which has fostered a culture of innovation, entrepreneurship and teamwork. A majority of our Board, key managerial personnel and senior management have experience across diverse industries, including logistics and supply chain management. For further details, see "*Board of Directors and Senior Management*" on page 162.

In addition to experience in the transportation and logistics industry, several members of our Board, key managerial personnel and senior management team have backgrounds in a variety of disciplines such as finance, legal, operations, marketing and consulting. We believe that our management team's comprehensive industry experience and diverse expertise assists us with detailed planning and management of our operations, effective quality control, implementation of our growth strategies and allows us to take advantage of current and future market opportunities. This has also helped us understand the requirements and preferences of, and develop strong relationships with, our clients as well as develop our large pan-India network of business partners. We also believe that this has contributed to the development of our brand over the years. The growth in our business and financial performance in the last few years demonstrates the effectiveness of our management team.

Part of the Allcargo Group

Our Company is a part of the Allcargo Group which has an experience of over three decades and operates across the logistics value chain through its group of companies. Our Company was acquired by Allcargo Logistics in Fiscal 2020. The Allcargo Group provides a range of services, as enumerated below:

- International supply chain following an asset light model including services such as LCL, FCL and air freight;
- Express logistics services across India with clients across sectors such as automotive and e-commerce industry;

- Contract logistics across India with clients across sectors such as pharmaceuticals, automotive and e-commerce;
- Pan-India player for Container Freight Station ("**CFS**") and Inland Container Depot ("**ICDs**"); and
- Rental and other annuity businesses with a focus on warehousing and commercial real estate and logistics park providing sector specific Grade A warehousing.

Being a part of the Allcargo Group provides us with cross selling opportunities within the Allcargo Group for the services provided by our Company.

BUSINESS STRATEGY

Investments in network infrastructure and streamlining operations

We intend to expand our network infrastructure and capacity for our surface express distribution. We are also in the process of upgrading our Operating Units by making them highly automated with limited human intervention. As of April 30, 2024, we have 657 Operating Units. We are in the process of expanding our infrastructure capabilities by setting up new Operating Units and upgrading the infrastructure of the existing Operating Units. Under phase one of this infrastructure upgradation we have set-up six major Surface Transit Centres (Operating Units) which are now operational and under phase two, we proposes to upgrade more such major Operating Units. The six new Operating Units are at Farukh Nagar, Nagpur, Mumbai, Indore, Guwahati and Bangalore.

The infrastructural upgrades implemented so far at our Operating Units have assisted in reducing the operational difficulties and thereby reducing the overall turnaround time. We believe that both of these parameters are key to attract and retain customers in express logistics. Further, we believe that the strategic location of the new Operating Units will assist us in having a better connectivity. The infrastructure upgradation undertaken so far and the improvement in operations have enabled better linehaul utilization and reduction in cost per kilogram. The new Operating Units will have cross docking with increased bays along with dock levellers which will assist in reducing the time required for loading and unloading of goods.

For instance, at our Bengaluru hub, we have increased the overall space and increased the number of bays for vehicles which has resulted in a reduced loading time leading to operational efficiencies.

Enhancements of our technology and digitization of our processes

We believe that our technological capabilities play a key role in helping us effectively manage our pan-India operations, maintain operational and fiscal controls, and support our efforts to enhance client service levels. We intend to continue our focus on automation of our operations for improving overall customer experience.

As part of our initiative towards complete automation of our business we will be automating our pick-up and delivery operations by way of pickup registration, real time printing of labels, OCR based invoice reading and volumetric weight calculation. We have also initiated the automation of our Operating Units through software for management of the dock and workforce and smart loading basis the route / vehicle. We also intend to have a network decision support system in place for centralized control centre, bay management and real time hub or network performance. We believe that all these measures will enable us to reduce the overall turnaround time.

In order to enhance the experience of the customers we have initiated upgradation of our core operating system by partnering with a technology company. This new technology, being GEMS 2.0, will integrate various frontend and backend functionalities such as CRM, finance and other management tools by providing a one click view for performance analysis. GEMS 2.0 is being designed to provide an integrated pick-up and delivery system with functionalities such as data capture from e-waybill site, auto docket creation, delivery route planning and auto run-sheet generation. GEMS 2.0 will also assist us in the lane wise recommendation of pricing based on last three months cost, industry specific pricing and faster retail customer onboarding. We intend to use GEMS 2.0 for mid mile planning such as network and route planning, truck loading plan and proactive manpower and resource planning per vehicle, load planning and cross docking. We intend to utilise the Issue proceeds towards developing GEMS 2.0 and for further details see "*Use of Proceeds*" on page 70.

We further aim to provide a digital interface to optimize customer experience by way of a digital wallet, generative AI chatbox, customer mobile application, customer portal and digital self-onboarding.

We aim to integrate our efficiencies throughout our operations and be flexible and responsive to changes in customer demands. We intend to employ a variety of process improvement tools and techniques, as highlighted above, to sustain and achieve greater progress.

Focused sales acceleration

Sales acceleration initiatives are aimed towards improving yield, deeper market penetration and ensuring customer stickiness. The intent is to continue to expand wallet share with existing customers by designing customized and integrated express logistics and supply chain solutions for their specific needs and industries. We also intend to align our sales team structure with a targeted approach towards strategic account management, key account management, MSME clients and retail clients. We believe that this will provide focussed attention to various categories of clients thereby ensuring client stickiness.

With a focus to grow the MSME client share we have set up an internal sales team that will cater to the needs of the MSME client base and will continue to address their concerns. Other initiatives include minimum selling price for all new businesses, targeting B2B platforms for market penetration and use of data science for lead generation.

Employees

As of April 30, 2024, we had 2,715 permanent employees and 667 persons employed as contract employees.

Our human resource practices are aimed at recruiting talented individuals, ensuring continuous development and addressing their grievances, if any, in a timely manner. We conduct training workshops for our employees to develop a variety of skill sets and organize modules at regular intervals to promote teamwork and personal growth of employees.

Our human resource department focuses on employee engagement and motivation, which further helps in achieving the strategic objectives of the organization.

Environment, Social and Governance

We are committed to environment, social and governance ("**ESG**") initiatives and has adopted a strategic approach to complying with ESG norms. With the expertise of our ESG knowledge partners we have created a dedicated ESG team. Further, with the assistance of our Artificial Intelligence ("**AI**") powered ESG technology partner, we have laid down our ESG goals relating to carbon emission reduction, labour practices, human rights and cyber security.

As an express logistics company, reducing our carbon emissions is a top priority for us, for which we have taken considerable steps such as making significant investments in electric vehicles and entering into partnerships to provide other alternative fuel options with aim of converting a large part of our pick-up and delivery fleet to alternative fuel in the next couple of years. We further intend to contribute to India's goal of being net-zero in carbon emissions by the year 2070.

Competition

Express market is highly organized and competitive within the domestic transportation industry. The major players of the organized B2B express logistics industry account for almost 55%-60% of market which includes apart from our Company, Blue Dart, Delhivery, Safexpress and TCI-Express. Apart from the aforementioned companies, other organized B2B express players includes few integrated logistics service providers like DP World Express, Rivigo by Mahindra, and e-com logistics service provider like Xpress bees. (*Source: Aviral Report*)

We believe that the principal competitive factors include service quality, reliability, price and the ability to understand evolving industry trends as well as the ability to anticipate, understand and address client requirements. We believe that our ability to compete effectively is primarily dependent on ensuring consistent service quality and timely services at competitive prices.

Intellectual Property Rights

As on date of this Placement Document, we have been granted 67 trademarks of which for nine trademarks we have applied for cancellation which is currently pending.

Insurance

We maintain standard insurance policies for our assets and our employees. As of March 31, 2024, our policies included inter alia: (i) standard fire policy (ii) burglary policy, (iii) personal policy for the employees of the group, (iv) commercial liability policy. (v) marine policy and (vi) policy under Bharat Laghu Udyam Suraksha. However, notwithstanding our insurance coverage, disruptions to our operations could nevertheless have a material adverse effect on our business, results of operations and financial condition to the extent our insurance policies do not cover our economic loss resulting from such damage.

Corporate Social Responsibility

We carry out corporate social responsibility ("**CSR**") activities through its CSR arm, Avashya Foundation in accordance with the Companies Act. The various initiatives taken by us through Avashya Foundation are in the areas of health, education, community, environment sustainability, rural development projects and other contributions. Some of the CSR activities initiated by us include having helped build two Government schools in Hyderabad for the local children.

The Government school at Banjara Hills, Hyderabad was constructed in the year 1997 and currently has 22 classrooms and two staff rooms. We are supporting the entire housekeeping an security expenses for the school and also distributes exam kits, stationery, school bags, sports kits, sweets on national festivals and school maintenance activities like painting and other necessary civil repairs.

We are also supporting the zilla parishad school in Miyapur, Hyderabad in relation to the house keeping services since the year 2015. We assisted in building 18 classrooms, one computer lab and 38 staff rooms for the school.

We have not made a contribution towards CSR in Fiscal 2023 and 2022 on account of absence of profit in the immediately preceding three Fiscals. The contribution made by us towards CSR in Fiscal 2024 was ₹ nil. Further, our material subsidiary, GESCPL during the Fiscal 2024 made CSR expenses amounting to ₹ 0.13 crores.

Properties

The registered office of our Company is situated at 4th Floor, B Wing, Allcargo House, CST Road, Kalina, Vidyanagari, Santacruz (East), Mumbai 400 098, Maharashtra, India. The corporate office of our Company is situated at Western Pearl, 4th Floor, Survey No. 13(p), Kondapur, Rangareddi, Hyderabad 500 084, Telangana, India. As on the date of this Placement Document, except for our fuel stations all of our core properties are held on a leasehold basis.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of our Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles of Association. In accordance with the Articles of Association, our Company shall not have more than 15 Directors.

As of the date of this Placement Document, our Board comprises eight Directors, of which one is an Executive Director, three are Non-Executive Directors and four are Independent Directors including one woman Independent Director.

The following table sets forth details regarding our Board as of the date of this Placement Document:

Sr. no.	Name, address, occupation, nationality, term and DIN	Age (in years)	Designation
1.	**Shashi Kiran Shetty** ***Address***: 7-S/2, Samshiba Apartments, Palli Hill, Nargis Dutt Road, Bandra West, Mumbai 400 050, Maharashtra, India ***Occupation:*** Business ***Nationality***: Indian ***Term***: For a term of five years with effect from November 4, 2020 till November 3, 2025 and liable to retire by rotation ***DIN***: 00012754	67	Chairman and Managing Director
2.	**Kaiwan Dossabhoy Kalyaniwalla** ***Address***: Phirojshaw Building, 3rd Floor, 70/C, Gowalia Tank Road, Mumbai 400 036, Maharashtra, India ***Occupation:*** Professional ***Nationality***: Indian ***Term***: Liable to retire by rotation ***DIN***: 00060776	59	Non-Executive Non-Independent Director
3.	**Nilesh Shivji Vikamsey** ***Address***: Kalpataru Habitat, 184/A Wing, Dr. S.S. Rao Road, near Gandhi Hospital, Parel (East), Mumbai 400 012, Maharashtra, India ***Occupation***: Professional ***Nationality***: Indian ***Term:*** For a term of five years commencing from February 5, 2021 ***DIN***: 00031213	59	Non-Executive Independent Director
4.	**Dinesh Kumar Lal** ***Address***: 34, Lotus Court, J Tata Road, Marine Lines, Churchgate, Mumbai 400 020, Maharashtra, India ***Occupation***: Business ***Nationality***: Indian ***Term***: For a term of five years commencing from July 3, 2020 ***DIN***: 00037142	72	Non-Executive Independent Director

Sr. no.	Name, address, occupation, nationality, term and DIN	Age (in years)	Designation
5.	**Vinita Dang Mohoni** ***Address:*** H 4/2, Pluto Society, near Kalyan Bungalow, Kalyani Nagar, Pune 411 006, Maharashtra, India ***Occupation:*** Service ***Nationality:*** Indian ***Term:*** Not liable to retire by rotation, for a term of five years commencing from June 5, 2023 ***DIN:*** 01919140	64	Non-Executive Independent Director
6.	**Hetal Madhukant Gandhi** ***Address***: B/1203, Vivarea, Sane Guruji Marg, Near Jacob Circle, Mahalaxmi, Mumbai 400 011, Maharashtra, India ***Occupation****:* Service ***Nationality****:* Indian ***Term****:* Not liable to retire by rotation, for a term of five years commencing from June 9, 2023 ***DIN***: 00106895	58	Non-Executive Independent Director
7.	**Pirojshaw Aspi Sarkari** ***Address***: 501-A, Lokhandwala Residency, Manjrekar Lane, off Dr. E Moses Road, Worli, Mumbai 400 018, Maharashtra, India ***Occupation****:* Service ***Nationality****:* Indian ***Term****:* Liable to retire by rotation ***DIN***: 00820860	57	Non-Executive Non-Independent Director
8.	**Ravi Jakhar** ***Address***: Flat no. B-2302, Esquire CHSL, 23rd Floor, Oberoi Garden City, off Western Express Highway, Goregaon (East), Mumbai 400 063, Maharashtra, India ***Occupation****:* Service ***Nationality****:* Indian ***Term****:* Liable to retire by rotation ***DIN***: 02188690	42	Non-Executive Non-Independent Director

Brief profiles of our Directors

Shashi Kiran Shetty is the Chairman and Managing Director of our Company. He holds a bachelor's degree in commerce from the University of Bombay.

Kaiwan Dossabhoy Kalyaniwalla is the Non-Executive Non-Independent Director of our Company. He holds a bachelor's degree in law from University of Bombay. He is a qualified solicitor and a member of the Bombay Incorporated Law Society.

Nilesh Shivji Vikamsey is the Non-Executive Independent Director of our Company. He has been a member of the Institute of Chartered Accountants of India (ICAI) since 1990.

Dinesh Kumar Lal is the Non-Executive Independent Director of our Company. He holds a bachelor's degree in commerce from the University of Delhi.

Vinita Dang Mohoni is the Non-Executive Independent Director of our Company. She holds a post graduate diploma in management from the Indian Institute of Management, Ahmedabad.

Hetal Madhukant Gandhi is the Non-Executive Independent Director of our Company. He holds a bachelor's degree in commerce from University of Bombay and is a chartered accountant.

Pirojshaw Aspi Sarkari is the Non-Executive Non-Independent Director of our Company. He is a chartered accountant by profession. Prior to joining our Company, he was associated with Mahindra & Mahindra Limited.

Ravi Jakhar is the Non-Executive Non-Independent Director of our Company. He holds a bachelor's degree in mining engineering from Banaras Hindu University.

Terms of Appointment of Executive Director

The Executive Director of our Company is entitled to the following remuneration and perquisites:

Shashi Kiran Shetty

Shashi Kiran Shetty is the Chairman and Managing Director of our Company. The following table sets forth the current terms of appointment of Shashi Kiran Shetty, pursuant to the Nomination and Remuneration Committee resolution dated March 13, 2024, Board resolution dated November 4, 2020 and special resolution passed by the Shareholders' of the Company dated December 28, 2020:

Sr. No.	Category	Remuneration
i.	Salary*	Nil
ii.	Perquisites*	Nil

** Shashi Kiran Shetty draws salary and perquisites from the holding company, Allcargo Logistics Limited, where he is the Chairman and Managing Director*

Remuneration to Non-executive Independent Directors

Sitting fees

Our Non-Executive Independent Directors are entitled to receive sitting fees for attending meetings of our Board of Directors or any of its committees and reimbursements of expenses. Pursuant to the Board resolution dated May 19, 2023, our Non-Executive Independent Directors are entitled to sitting fees of ₹ 75,000 for attending each meeting of the Board, sitting fees of ₹ 50,000 for attending each meeting of the Audit Committee and ₹ 25,000 for attending each meeting of all the other committees of the Board.

Commission

Our Independent Directors and Non-Executive Director are not entitled to receive any remuneration by way of commission.

Remuneration paid to Executive Director

The following tables set forth the details of remuneration paid by our Company to the Executive Directors of our Company for Fiscal 2024, Fiscal 2023 and Fiscal 2022:

Sr. No.	Name of the Director	Remuneration for Fiscal 2024	Remuneration for Fiscal 2023	Remuneration for Fiscal 2022
1.	Shashi Kiran Shetty	Nil	Nil	Nil

Independent Directors and Non-Executive Director:

The table provides details of sitting fees, salaries, commission and perquisites paid by our Company (on a consolidated basis) to the Independent Directors and Non-Executive Directors of our Company for Fiscal 2024, Fiscal 2023 and Fiscal 2022:

(₹ in crores)

Sr. No.	Name of the Director	Designation	Sitting fees and commission for Fiscal 2024	Sitting fees and commission for Fiscal 2023	Sitting fees and commission for Fiscal 2022
1.	Kaiwan Dossabhoy Kalyaniwalla	Non-Executive Non-Independent Director	Nil	Nil	Nil
2.	Nilesh Shivji Vikamsey	Non-Executive Independent Director	0.09	0.04	0.04
3.	Dinesh Kumar Lal	Non-Executive Independent Director	0.10	0.03	0.03
4.	Vinita Dang Mohoni	Non-Executive Independent Director	0.05	NA	NA
5.	Hetal Madhukant Gandhi	Non-Executive Independent Director	0.05	NA	NA
6.	Pirojshaw Aspi Sarkari*	Non-Executive Non-Independent Director	Nil	NA	NA
7.	Ravi Jakhar	Non-Executive Independent Director	Nil	NA	NA

**Shall retire / superannuate from the position of managing director and chief executive officer of GESCPL with effect from November 30, 2024*

Shareholding of Directors

Except as disclosed below, none of our Directors hold Equity Shares in our Company as of the date of this Placement Document:

Sr. No.	Name of the Director	Designation	Number of Equity Shares	Percentage (%) shareholding
1.	Pirojshaw Aspi Sarkari	Non-Executive Non-Independent Director	33,002	0.03

Relationship with other Directors

As of the date of this Placement Document, none of the Directors of our Company are related to each other.

Borrowing powers of our Board

In accordance with the Articles of Association of our Company, our Board of Directors has been empowered to borrow funds in accordance with applicable law. Pursuant to the resolution dated July 30, 2015, passed by our Shareholders, our Board is authorized to borrow any sum or sums of money from time to time, on such terms and conditions and with or without security as the Board of Directors may deem fit from banks, financial institutions or any other kind of lenders notwithstanding that the money or money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not so set aside for any specific purposes, provided however that the total amount so borrowed and remaining outstanding at any particular time shall not exceed ₹ 500.00 crores. Our borrowing limits may be changed from time to time, subject to approval of the Board and our Shareholders.

Interest of our Directors

Our Directors may be deemed to be interested to the extent of their remuneration, fees and commission, if any, payable to them for attending meetings of our Board or committees thereof, as well as to the extent of reimbursement of expenses payable to them, and the Executive Directors of our Company may be deemed to be interested to the extent of remuneration paid to them for services rendered.

Our Directors may also be regarded as interested in the Equity Shares held by them, including the ESARs held by them, or held by or that which may be subscribed by or allotted to their relatives or the companies, firms or trusts, in which they are interested as directors, members, partners, trustees or promoters. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares and any other benefits arising out of such holding.

None of our Directors have any interest in any property acquired or proposed to be acquired of our Company or by our Company.

Except as provided in "*Related Party Transactions*" on page 83, our Company has not entered into any contract, agreement or arrangement during the three Fiscals immediately preceding the date of this Placement Document, in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. For further details relating to contracts, agreements or arrangements entered into by our Company during the last three Fiscals, in which the Directors are interested directly or indirectly and for payments made to them in respect of such contracts, agreements or arrangements and for other interest of Directors in respect to the related party transactions, during the last three Fiscals, see "*Related Party Transactions*" on page 83.

Other than as disclosed in this Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested.

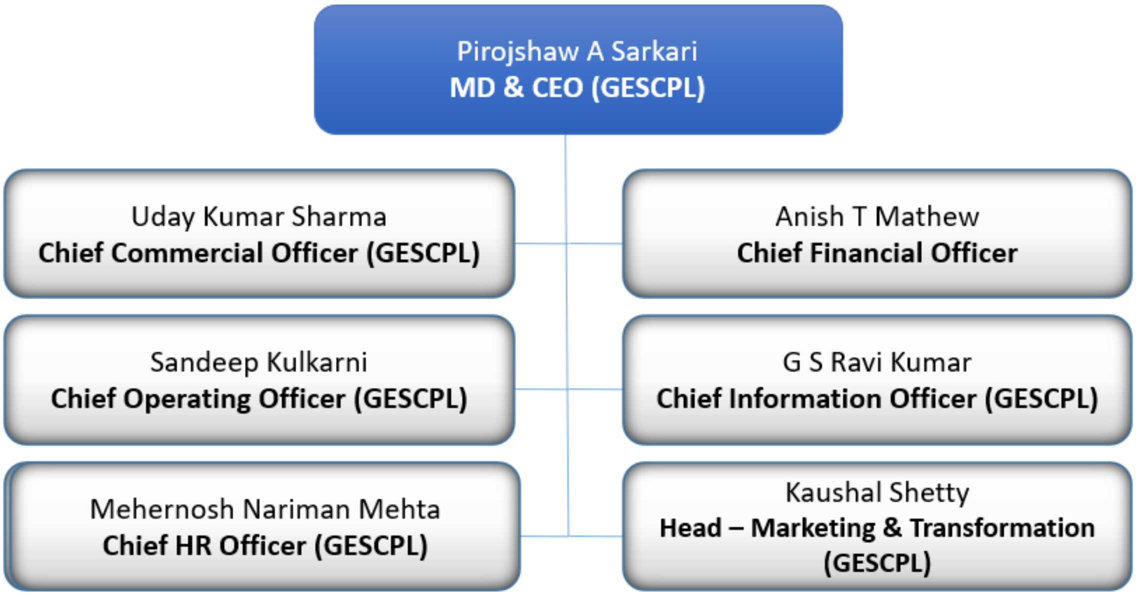
Bonus or profit-sharing plan of the Directors

Except as disclosed in "– *Terms of Appointment of Executive Directors*" on page 164, none of our Directors are party to any bonus or profit-sharing plan.

Service contracts with Directors

Our Company has not entered into any service contracts with any Director, which provide for benefits upon termination of employment.

Management Chart



Corporate Governance

Our Board presently consists of eight Directors. In compliance with the requirements of the SEBI Listing Regulations, the Board of Directors has four Independent Directors (including one woman Independent Director).

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance, including constitution of our Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of our Board committees, as required under law.

Our Board functions either as a full board or through various committees constituted to oversee specific functions. Our Company's executive management provides our Board with detailed reports on its performance periodically.

Committees of our Board of Directors

Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

The statutory committees of our Board are: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Stakeholders' Relationship Committee; (iv) Risk Management Committee; and (v) Corporate Social Responsibility Committee.

The following table sets forth details of members of the aforesaid committees, as on the date of this Placement Document:

Sr. No.	Committee	Name and Designation of Members
1.	Audit Committee	Dinesh Kumar Lal (Chairman), Kaiwan Dossabhoy Kalyaniwalla, Nilesh Shivji Vikamsey and Hetal Madhukant Gandhi
2.	Nomination and Remuneration Committee	Dinesh Kumar Lal (Chairman), Kaiwan Dossabhoy Kalyaniwalla and Vinita Dang Mohoni
3.	Stakeholders Relationship Committee	Vinita Dang Mohoni (Chairperson), Kaiwan Dossabhoy Kalyaniwalla and Dinesh Kumar Lal
4.	Risk Management Committee	Nilesh Shivji Vikamsey (Chairman), Kaiwan Dossabhoy Kalyaniwalla and Pirojshaw Aspi Sarkari
5.	Corporate Social Responsibility Committee	Kaiwan Dossabhoy Kalyaniwalla (Chairman), Dinesh Kumar Lal and Vinita Dang Mohoni

Key Managerial Personnel and Senior Management

In addition to our Chairman and Managing Director, the details of our Key Managerial Personnel and the members of Senior Management in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as on the date of this Placement Document are set forth below:

Sr. No.	Name	Designation
Key Managerial Personnel		
1.	Anish T Mathew	Chief Financial Officer
2.	Thiruvellur Shanthavadhan Maharani	Company Secretary and Compliance Officer
Senior Management		
3.	G. S. Ravi Kumar	Chief Information Officer (GESCPL)
4.	Kaushal Suresh Shetty	Head - Marketing and Transformation (GESCPL)
5.	Shrikant Tukaram Nikam	Senior Vice President-Operations (GESCPL)
6.	Mehernosh Nariman Mehta	Chief Human Resources Officer (GESCPL)
7.	Sandeep Digambar Kulkarni	Chief Operating Officer (GESCPL)
8.	Uday Kumar Sharma	Chief Commercial Officer (GESCPL)

Except as disclosed below, none of our Key Managerial Personnel or members of Senior Management are related to each other or to the Directors of our Company:

Sr. No	Name	Family Relation
1.	Kaushal Suresh Shetty	Son of the sister of Shashi Kiran Shetty, the Chairman and Managing Director of the Company

Except as disclosed below, all our Key Managerial Personnel and members of Senior Management are permanent employees of our Company:

Sr. No.	Name	Entity associated with
Senior Management		
1.	Pirojshaw Aspi Sarkari[(1)]	GESCPL
2.	G. S. Ravi Kumar[(2)]	GESCPL
3.	Kaushal Suresh Shetty	GESCPL
4.	Shrikant Tukaram Nikam	GESCPL
5.	Mehernosh Nariman Mehta	GESCPL
6.	Sandeep Digambar Kulkarni	GESCPL
7.	Uday Kumar Sharma	GESCPL

[(1)] *Pirojshaw Aspi Sarkar, the Director of our Company, is also the Chairman and Managing Director of our subsidiary, GESCPL and he shall retire / superannuate from the position of managing director and chief executive officer of GESCPL with effect from November 30, 2024.*
[(2)] *G.S. Ravi Kumar shall retire/superannuate from the position of chief information officer of GESCPL with effect from August 31, 2024. Pursuant to which Sanjay Khiyani, the deputy chief information officer of GESCPL shall be elevated to the position of chief information officer of GESCPL and shall be member of the senior management of our Company, with effect from September 2, 2024.*

Set out below are the brief profiles of the Key Managerial Personnel of our Company:

Anish T Mathew is the chief financial officer of our Company, with more than a decade of prior work experience He is an associate of the Institute of Chartered Accountants of India. In the past, he has worked as chief financial officer at Andhra Paper Limited and he has also worked with Pepsico India Holdings Private Limited. The remuneration paid to him in Fiscal 2024 was ₹ 1.41 crores.

Thiruvellur Shanthavadhan Maharani is the company secretary and compliance officer of our Company. She is an associate member of the Institute of Company Secretaries of India (ICSI). The remuneration paid to her in Fiscal 2024 was ₹ 0.40 crores.

Set our below are the brief profiles of the members of the Senior Management:

Pirojshaw Aspi Sarkari is the Managing Director and Chief Executive Officer of our subsidiary, Gati Express & Supply Chain Private Limited. The remuneration paid to him in Fiscal 2024 was ₹ 3.75 crores. For more details, please see *"– Brief profiles of our Directors"* on page 163.

G. S. Ravi Kumar is the chief information officer of our subsidiary, Gati Express & Supply Chain Private Limited. The remuneration paid to him in Fiscal 2024 was ₹ 1.75 crores.

Kaushal Suresh Shetty is the Head - Marketing and Transformation of our subsidiary, Gati Express & Supply Chain Private Limited. The remuneration paid to him in Fiscal 2024 was ₹ 0.56 crores.

Shrikant Tukaram Nikam is the Senior Vice President – Operations of our subsidiary, Gati Express & Supply Chain Private Limited. He holds a bachelor's degree in science (information technology) from Shobhit University, Meerut, India. He has previously been associated with Mahindra Logistics Limited. The remuneration paid to him in Fiscal 2024 was ₹ 0.74 crores.

Mehernosh Nariman Mehta is the Chief Human Resources Officer of our subsidiary, Gati Express & Supply Chain Private Limited. He holds a bachelor's degree in arts from the University of Mumbai. He has previously been associated with Mahindra Logistics Limited and Welspun Corp Limited. The remuneration paid to him in Fiscal 2024 was ₹ 1.29 crores.

Sandeep Digambar Kulkarni is the Chief Operating Officer of our subsidiary, Gati Express & Supply Chain Private Limited. He holds a master's degree in business administration (Nanyang Fellows) from Nanyang Technological University, Singapore. He has previously been associated with Tata UniStore Limited as the Chief Supply Chain Officer. The remuneration paid to him in Fiscal 2024 was ₹ 0.42 crores.

Uday Kumar Sharma is the Chief Commercial Officer of our subsidiary, Gati Express & Supply Chain Private Limited. His last professional association was with Spoton Logistics Private Limited as the Senior Vice President – LTL Business. The remuneration paid to him in Fiscal 2024 was ₹ 0.26 crores.

Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management

Except as disclosed in "- *Terms of Appointment of our Executive Directors*" on page 164, our Company does not have any bonus or profit-sharing plan with the Key Managerial Personnel or Senior Management.

Service Contracts with Key Managerial Personnel and Senior Management

Our Key Managerial Personnel and Senior Management have not entered into any service contracts with our Company providing any termination or retirement benefits.

Interest of our Key Managerial Personnel and Senior Management

Other than as disclosed in the "– *Interest of our Directors*" on page 165, our Key Managerial Personnel and Senior Management do not have any interest in our Company other than to the extent of the remuneration, benefits or stock options to which they are entitled as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and to the extent of the Equity Shares held by them or their dependents in our Company, if any. The Key Managerial Personnel and member of the Senior Management may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held in our Company, if any.

Shareholding of our Key Managerial Personnel and member of the Senior Management

Except as disclosed below and in *"Shareholding of Directors*" on page 165 as of the date of this Placement Document, some members of the Senior Management hold Equity Shares in our Company:

Sr. No.	Name	Number of Equity Shares	% of paid-up Equity Share Capital of Company
1.	G. S. Ravi Kumar	1,32,139	0.10
2.	Kaushal Suresh Shetty	40	Negligible
3.	Shrikant Tukaram Nikam	7,038	Negligible

Other Confirmations

1. None of the Directors, Promoters, Key Managerial Personnel or member of the Senior Management of our Company have any financial or other material interest in the Issue.
2. Our Promoters, Directors and Key Managerial Personnel or member of the Senior Management will not participate in the Issue.
3. Neither our Company, nor any of our Directors or Promoters have been identified as a Wilful Defaulter or as a Fraudulent Borrower by any lending banks or financial institutions or consortiums, except as below:

S. No.	Particulars	Details
1.	**Name of the bank declaring the person as a wilful defaulter or a fraudulent borrower**	SBI (State Bank of India)
2.	**Name of the person declared as a wilful defaulter**	Mahendra Kumar Agarwal (Promoter)
2.	**Year in which the person was declared as a wilful defaulter or a fraudulent borrower**	2023
3.	**Outstanding amount when the person was declared as a wilful defaulter**	INR 285,00,00,000
4.	**Steps taken, if any, by the person for removal of its name from the list of wilful defaulter or a fraudulent borrower**	Mahendra Kumar Agarwal ("**Petitioner**") has filed a Writ Petition before High Court of Telangana bearing number WP. 3120 of 2023 along with an Interim Application no. 1 of 2023, against State Bank of India ("**SBI**") and Reserve Bank of India ("**RBI**"), praying for issuance of a writ, order or direction in the nature of mandamus to declare that the action of SBI in declaring the Petitioner as a 'Wilful Defaulter' as illegal, arbitrary, unconstitutional and in violation of the principles of natural justice and to stay all further proceedings/actions pertaining to declaring Mahendra Kumar Agarwal as a 'Wilful Defaulter'. He was declared to be a 'Wilful Defaulter' vide communication dated

		January 16, 2023 including the order of the identification committee dated August 21, 2020 and the order of review committee dated November 13, 2020 ("**Orders**"). The Petitioner alleged that the Orders were not served to him, and he prayed that this non serving of Order and declaring him as a 'Wilful Defaulter' is against the principles of natural justice along with it being against the procedures laid down by RBI. The matter was first heard on February 8, 2023, and the High Court of Telangana had issued notices to RBI and SBI directing them for appearance and also granted interim stay on the Orders and any other proceedings against the Petitioner in pursuance to the Orders. Vide the last order dated April 17, 2023, the High Court of Telangana has extended the interim stay order directing RBI and SBI to file their responses.

4. Neither our Company, nor our Directors or Promoters are currently debarred from accessing capital markets under any offence under any order or direction made by SEBI. Further, none of our Directors or Promoters have been declared as a Fugitive Economic Offender.
5. No change in control in our Company will occur consequent to the Issue.
6. No loans have been availed or extended by our Directors, Key Managerial Personnel or member of the Senior Management from, or to, our Company or the Subsidiaries.

Policy on disclosures and internal procedure for prevention of insider trading

The SEBI Insider Trading Regulations applies to our Company and our employees and requires our Company to implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and conduct for the prevention of insider trading. Our Company has implemented a code of practices and procedures for fair disclosure of unpublished price sensitive information in accordance with the SEBI Insider Trading Regulations.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three fiscals immediately preceding the date of this Placement Document, see "*Related Party Transactions*" on page 83.

ORGANISATIONAL STRUCTURE OF OUR COMPANY

Corporate History

Allcargo Gati Limited was originally incorporated on April 25, 1995, under the Companies Act, 1956 as 'Gati Corporation Limited' and received the commencement of business operations certificate on May 5, 1995, from the Registrar of Companies, Andhra Pradesh at Hyderabad. The name of our Company was changed to 'Gati Limited' pursuant to a fresh certificate of incorporation consequent upon change of name issued by the Registrar of Companies, Andhra Pradesh at Hyderabad on October 24, 2000. Further, the name of our Company was subsequently changed to 'Allcargo Gati Limited' pursuant to a fresh certificate of incorporation consequent upon change of name issued by the Registrar of Companies, Telangana at Hyderabad on October 19, 2023. The Registered Office of the Company was shifted from Western Pearl, 4th Floor, Survey No. 13(p), Kondapur, Rangareddi 500 084, Hyderabad, Telangana, India to 4th Floor, B Wing, Allcargo House, CST Road, Kalina, Santacruz (East), Mumbai 400 098, Maharashtra, India, pursuant to issuance of fresh certificate of registration dated February 27, 2024, confirmation by an order by the regional director dated July 28, 2023 and the approval granted by the Registrar of Companies, Telangana at Hyderabad and Registrar of Companies, Maharashtra at Mumbai. For further details regarding changes in the name and registered office of our Company, see "*General Information*" on page 243.

Our Company's CIN is L63011MH1995PLC420155. The Registered Office of our Company is located at 4th Floor, B Wing Allcargo House, CST Road, Vidyanagari, Kalina, Santacruz (East), Mumbai 400 098, Maharashtra, India. The corporate office of our Company is situated at Western Pearl, 4th Floor, Survey No. 13(p), Kondapur, Rangareddi, Hyderabad 500 084, Telangana, India.

Subsidiaries

As on date of this Placement Document, our Company has five Subsidiaries namely Gati Express & Supply Chain Private Limited, Gati Logistics Parks Private Limited, Gati Import Export Trading Limited, Gati Projects Private Limited and Zen Cargo Movers Private Limited.

Holding company

As on date of this Placement Document, Allcargo Logistics Limited is our holding company.

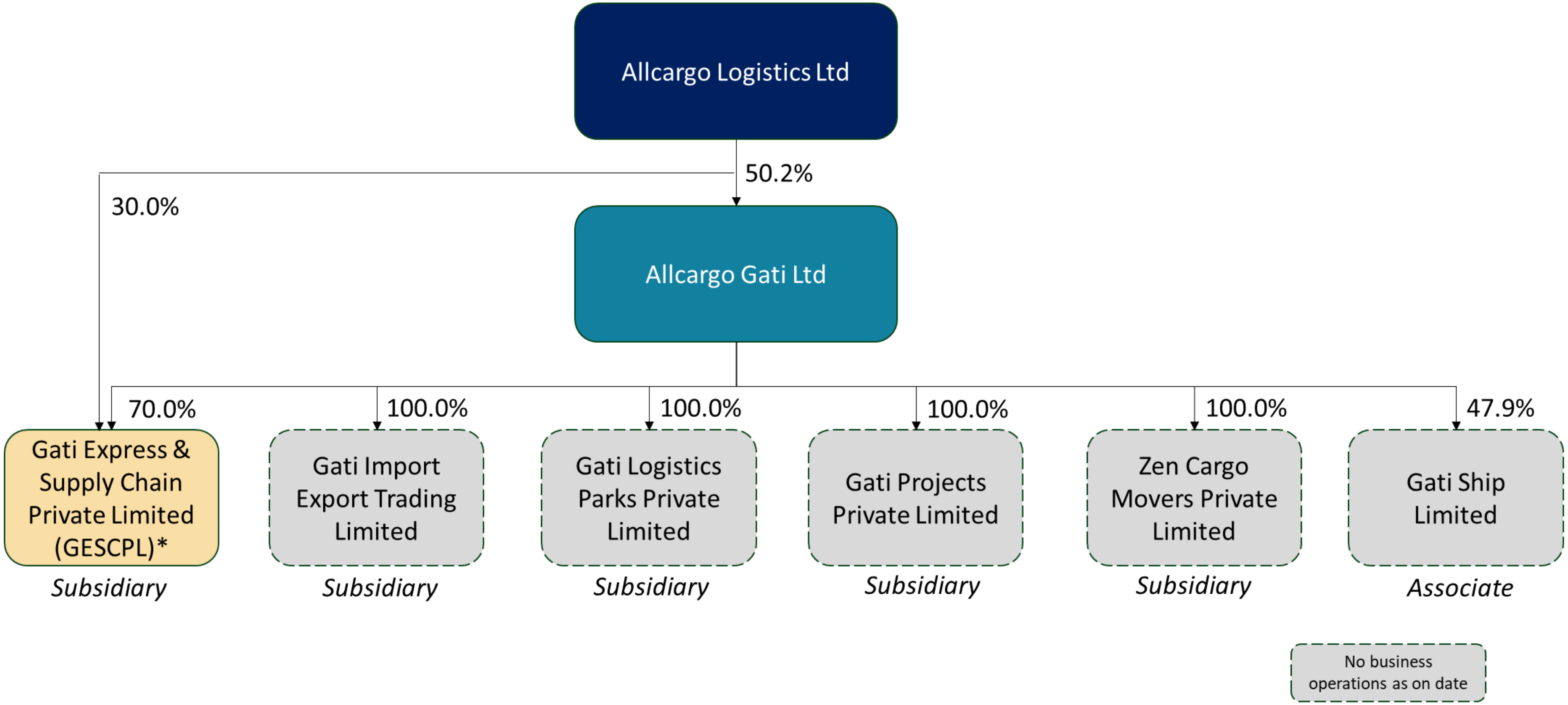
Associate company

As on the date of this Placement Document, our Company has one associate company namely, Gati Ship Limited.

Joint Ventures

As on the date of this Placement Document, our Company has no joint ventures.

The organisational structure of our Company as on date of this Placement Document is as follows:



Note - *Formerly Gati Kintetsu Express Private Limited

SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company, as on March 31, 2024 is set forth below:

Table I – Summary Statement holding of Specified securities:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX) – Number of Voting Rights – Class: Equity Shares	Number of Voting Rights held in each class of securities (IX) – Number of Voting Rights – Total	Number of Voting Rights held in each class of securities (IX) – Total as a % of (A+B+ C)	Number of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII) – Number (a)	Number of locked in shares (XII) – As a % of total Shares held (b)	Number of Shares pledged or otherwise encumbered (XIII) – Number (a)	Number of Shares pledged or otherwise encumbered (XIII) – As a % of total Shares held (b)	Number of Equity Shares held in dematerialized form (XIV)
(A)	Promoters and Promoter Group	9	6,89,45,930	0	0	6,89,45,930	52.93	6,89,45,930	6,89,45,930	52.93	0	52.93	81,84,140	11.87	2,76,100	0.40	6,89,45,930
(B)	Public	95,596	6,13,06,097	0	0	6,13,06,097	47.07	6,13,06,097	6,13,06,097	47.07	0	47.07	0	0	0	0	6,08,22,948
(C)	Non Promoters - Non Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C1)	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	**95,605**	**13,02,52,027**	**0**	**0**	**13,02,52,027**	**100.00**	**13,02,52,027**	**13,02,52,027**	**100.00**	**0**	**100.00**	**81,84,140**	**6.28**	**2,76,100**	**0.21**	**12,97,68,878**

Table II - Statement showing shareholding pattern of our Promoters and Promoter Group:

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
Promoter Group	Mahendra Kumar Agarwal & Sons HUF	1	4,90,118	0	0	4,90,118	0.37	4,90,118	0	4,90,118	0.37	0	0.37	0	0	8,7350	17.82	4,90,118
Promoter	Mahendra Kumar Agarwal	1	2,24,935	0	0	2,24,935	0.17	2,24,935	0	2,24,935	0.17	0	0.17	0	0	1,80,000	80.02	2,24,935
Promoter Group	Neera And Children Trust	1	23,15,889	0	0	23,15,889	1.77	23,15,889	0	23,15,889	1.77	0	1.77	0	0	0	0	23,15,889
Promoter Group	Manish Agarwal Benefit Trust	1	1,19,728	0	0	1,19,728	0.09	1,19,728	0	1,19,728	0.09	0	0.09	0	0	0	0	1,19,728
Promoter Group	Dhruv Agarwal Benefit Trust	1	8,750	0	0	8,750	0.00	8,750	0	8,750	0.00	0	0.00	0	0	8750	100.00	8,750
Promoter	Allcargo Logistics Limited	1	6,53,30,095	0	0	6,53,30,095	50.15	6,53,30,095	0	6,53,30,095	50.15	0	50.15	8184140	12.5274	0	0	65,33,0095
Promoter Group	TCI Finance Limited	1	2,84,838	0	0	2,84,838	0.21	2,84,838	0	2,84,838	0.21	0	0.21	0	0	0	0	2,84,838
Promoter Group	Mahendra Investment Advisors Pvt Ltd	1	1,51,577	0	0	1,51,577	0.11	1,51,577	0	1,51,577	0.11	0	0.11	0	0	0	0	1,51,577
Promoter Group	Jubilee Commercial & Trading Private Limited	1	20,000	0	0	20,000	0.01	20,000	0	20,000	0.01	0	0.01	0	0	0	0	20,000
Promoter Group	Promoters-Mahendra Kumar Agarwal	1	4,90,118	0	0	4,90,118	0.37	4,90,118	0	4,90,118	0.37	0	0.37	0	0	8,7350	17.82	4,90,118

[*]The following Promoter and Promoter Group members have applied for reclassification from "Promoter and Promoter Group" category to "Public" category under Regulation 31A of SEBI LODR Regulations, 2015:-
1) Mahendra Kumar Agarwal
2) Mahendra Kumar Agarwal & Sons HUF
3) TCI Finance Limited
4) Mahendra Investment Advisors Private Limited
5) Jubilee Commercial & Trading Private Limited
6) Bunny Investments And Finance Private Limited

PROPOSED AMALGAMATION OF OUR COMPANY WITH ALLCARGO LOGISTICS LIMITED

The Board of our Company, on the recommendation of the Audit Committee and Independent Directors, in its meeting held on December 21, 2023 approved the composite scheme of arrangement / amalgamation for restructuring of businesses **(**the "**Composite Scheme of Arrangement**"**)** 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 our Company.

The Composite Scheme of Arrangement 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 and support functions 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. 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")**.

Allcargo Supply Chain Private Limited, Gati Express & Supply Chain Private Limited and our Company (collectively, "**Transferor Companies**") have applied for and are currently awaiting various regulatory approvals required for implementing the Composite Scheme of Arrangement, such as approvals from the National Company Law Tribunal, Mumbai Bench, BSE, NSE, SEBI, pursuant to which other government and regulatory filings shall be made, including filing certified copies of the NCLT orders sanctioning the Composite Scheme of Arrangement with the Registrar of Companies.

The demerger shall mean the transfer by way of demerger of the Demerged Company to the Resulting Company, and the consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company ("**Demerger**").

Rationale of the Proposed Merger

Our Company believes that pursuant to the proposed merger, the Amalgamated Company, amongst others, shall realise the following benefits:

i. The Demerged Company is presently engaged, directly, and indirectly through subsidiaries, in the international supply chain business as well as express logistics and contract logistics businesses through the Transferee Company 1, Transferor Company 1 and Transferor Company 2. These businesses are distinct, with different business models, industry dynamics and have unique financial and management requirements. The purpose of this Composite Scheme of Arrangement is to make these businesses achieve strategic independence and financial flexibility.
ii. Demerger of the International Supply Chain Business would enable creation of an independent company focusing on the international supply chain business (in the Resulting Company).
iii. The businesses of Transferee Company 1, Transferor Company 1 and Transferor Company 2 are complementary in nature, with similar strategies, target markets, growth opportunities, industry dynamics, competition, risks, and challenges. Due to close synergies between these companies, it would benefit from unified management structure. Due to legacy reasons, these businesses are undertaken by different entities and have different ownership structure. Amalgamation 1 and Amalgamation 2 would bring all these synergistic businesses under one entity focusing on express logistics and contract logistics businesses (which will be undertaken by the Transferee Company 2).

iv. This Composite Scheme of Arrangement will result in simplification of the corporate structure and reduction in the number of legal entities. The international supply chain business will be undertaken by the Resulting Company, and it will be directly owned by the shareholders. Pursuant to Amalgamation 1 and Amalgamation 2, the express logistics and contract logistics businesses will be undertaken by the Transferee Company 2, and it will be directly owned by the shareholders.
v. This will lead to focused and efficient management control, independent growth plans, financial independence, streamlining operations, and optimising costs.
vi. The Resulting Company and Transferee Company 2 will be able to attract investors with specific knowledge, expertise and risk appetite corresponding to the business in the respective entities. Thus, each entity will have like-minded investors, thereby providing the necessary funding impetus to long-term growth strategies of each of the businesses.
vii. The existing equity shares of the Transferor Company 3 and Transferee Company 2 are already listed on BSE and NSE. Pursuant to the Composite Scheme of Arrangement, the new equity shares of the Resulting Company will be issued to shareholders of Demerged Company. The Composite Scheme of Arrangement will also result in new equity shares of the Transferee Company 2 to be issued to shareholders of Transferor Company 3. These new equity shares will be listed on BSE and NSE. This Composite Scheme of Arrangement will unlock the value for the shareholders.

Conditions

This Composite Scheme of Arrangement is and shall be conditional upon and subject to:

i. The requisite consent, no-objections and approvals of the Stock Exchanges and SEBI to the Composite Scheme of Arrangement in terms of the SEBI master circular dated June 20, 2023 bearing reference number SEBI/HO/CFD/POD-2/P/CIR/2023/93, on terms acceptable to Demerged Company/Resulting Company/ Transferor Companies/ Transferee Company 1;
ii. The approval of the Composite Scheme of Arrangement by the respective requisite majorities in number and value of the shareholders of the Demerged Company/ Resulting Company/ Transferor Company 1 / Transferor Company 2/ Transferee Company 1 in accordance with Section 230 to 232 of the Companies Act;
iii. The Demerged Company/ Resulting Company/ Transferor Company 1 / Transferor Company 2 / Transferor Company 3/ Transferee Company 1/ Transferee Company 2 (as the case may be) complying with other provisions of the SEBI Circular, including seeking approval of the shareholders of the Demerged Company/ Transferor Company 1 / Transferor Company 2 / Transferor Company 3/ Transferee Company 1/ Transferee Company 2 through e-voting (as the case may be);
iv. The Composite Scheme of Arrangement being sanctioned by the NCLT in terms of Section 230 to 232 and other relevant provisions of the Companies Act; and
v. Certified copies of the orders of the NCLT sanctioning this Composite Scheme of Arrangement being filed with the relevant Registrar of Companies by Demerged Company/ Resulting Company/ Transferor Company 1 / Transferor Company 2 / Transferor Company 3/ Transferee Company 1/ Transferee Company 2 as per the provisions of the Companies Act.

The Demerger and Amalgamation 1 shall come into operation from the appointed date being October 1, 2023 and the Amalgamation 2 shall come into operation from the effective date on which all the conditions and matters in relation to the Composite Scheme of Arrangement have been fulfilled (the **"Effective Date")** and shall become effective on and from the Effective Date in terms of the Composite Scheme of Arrangement.

Mechanics of the Proposed Merger

Upon receipt of the order of the NCLT, Mumbai, it is proposed that the Composite Scheme of Arrangement shall be effective with respect to:

i. International supply chain business and support functions demerging from ALL to Resulting Company and ALL being considered as demerged company *(Step 1)*;
ii. ASCPL, GESCPL merging with and into AGL *(Step 2)*; and
iii. There being an amalgamation of AGL with and into Allcargo Logistics Limited *(Step 3).*

Step 1

Upon coming into effect of the Composite Scheme of Arrangement, with effect from the **Appointed Date 1** i.e. October 1, 2023, and prior to Amalgamation 2 having taken effect, the Demerged Undertaking shall be demerged from the Demerged Company and be transferred to and vested in the Resulting Company on the Appointed Date 1, on a going concern basis, so as to vest in the Resulting Company all the rights, title, interest or obligations of the Demerged Company therein.

In pursuance of the demerger, shareholders will get one fully paid-up equity share of ₹ 2 (Rupees Two each) of Allcargo ECU Limited for every, one fully paid-up equity share of ₹ 2 each, of Allcargo Logistics Limited held by equity shareholder, on a proportionate basis.

Step 2

Upon coming into effect of the Composite Scheme of Arrangement prior to Amalgamation 2 having taken effect, Transferor Company 1 and Transferor Company 2 shall be transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company 1 on the Appointed Date 1. All the rights, title, interest or obligations of each of the Transferor Companies shall vest in the Transferee Company 1.

Equity Shareholders of ASCPL will get two equity shares of AGL of ₹2 each, fully paid-up, for every ten equity shares of ASCPL of ₹10 each, fully paid-up equity shares.

Equity Shareholders of GESCPL will get 3,475 (Three Thousand Four Hundred Seventy-Five) equity shares of AGL of ₹2 each, fully paid-up, for every ten equity shares of GESCPL of ₹10 fully paid-up equity shares.

Equity Shareholders of Optionally Convertible Redeemable Preferences ("**OCRPS**"), of which the right to conversion has been rescinded by the shareholder, will get one Redeemable Preference Shares ("**RPS**") of AGL of ₹10 each fully paid-up (on the same terms including the right to only redeem and no right of conversion), for every, one OCRPS of ₹10 each held in ASCPL.

Step 3

Upon coming into effect of the Composite Scheme of Arrangement, the Transferor Company 3 shall be transferred to and vested in or deemed to have been transferred to and vested in the Transferee Company 2 on the **Appointment Date 2** i.e. Effective Date, with respect to Amalgamation 2. All the rights, title, interest or obligations of each of the Transferor Company 3 shall vest in the Transferee Company 2.

Allcargo Logistics Limited will issue new equity shares to the shareholders of AGL. The shareholders of AGL will get 63 Equity Shares of ₹2 each of Allcargo Logistics Limited for every ten Equity Shares of ₹2 each held in AGL. Further, the equity shares held by Allcargo Logistics Limited in AGL will be cancelled.

Other costs

No cash consideration is payable under the Composite Scheme of Arrangement. Upon coming into effect of this Composite Scheme of Arrangement, the equity shareholders of the relevant entities will receive the following consideration, amongst others:

Amalgamation 1:

Equity Shareholders of ASCPL will get two equity shares of AGL of ₹2 each fully paid-up, for every ten equity shares of ₹10 each fully paid-up held in ASCPL.

Equity Shareholders of GESCPL will received 3,475 (Three Thousand Four Hundred Seventy-Five) equity shares of AGL of ₹2 each fully paid-up, for every ten equity shares of ₹10 each fully paid-up held in GESCPL.

In relation to holders of optionally convertible redeemable preference shares ("**OCRPS**") in ASCPL, for which the right to conversion has been rescinded by the holder and the right for redemption has been opted for, such holder shall be issued one redeemable preference shares ("**RPS**") of our Company of ₹10 each fully paid-up (on the same terms including the right to only redeem and no right of conversion) each, for every, one fully paid-up OCRPS of ₹10 each held in ASCPL.

Amalgamation 2:

Allcargo Logistics Limited will issue new equity shares to the shareholders of AGL. The shareholders of AGL will get 63 Equity Shares of ₹2 each of Allcargo Logistics Limited against ten Equity Shares of ₹2 each held in AGL. Further, the equity shares held by Allcargo Logistics Limited in AGL will be cancelled.

Re-classification of Promoter and certain members of the Promoter Group

Our Promoter, namely Mahendra Kumar Agarwal and certain members of our Promoter Group, namely Mahendra Kumar Agarwal & Sons HUF, Mahendra Investment Advisors Private Limited, TCI Finance Limited, Bunny Investments & Finance Limited and Jubilee Commercial and Trading Private Limited (the "**Outgoing Promoter and Promoter Group**"), currently holding an aggregate of 0.89% in paid up capital of our Company, requested the Company to make an application to the Stock Exchanges to reclassify them under the 'public' category in accordance with Regulation 31A of the SEBI Listing Regulations. The Board of Directors and Shareholders of our Company have considered and approved the request of Outgoing Promoter and Promoter Group for re-classification from 'promoter and promoter group' category to 'public' category in their meetings dated September 28, 2020 and December 28, 2020, respectively subject to receipt of approval from the Stock Exchanges in accordance with SEBI Listing Regulations. Accordingly, our Company had made applications to the Stock Exchanges for such reclassification on January 22, 2021 (the "**Reclassification Application**"). We received certain clarifications from the Stock Exchanges in relation to the Reclassification Application which were responded by our Company. The re-classification is subject to receipt of final approval from BSE and NSE in accordance with the SEBI Listing Regulations. Please see "*Risk Factors – "One of our Promoters and certain members of our Promoter Group are in the process of being re-classified to the 'public' category, and after such reclassification becomes effective, Allcargo Logistics Limited shall be the only Promoter of our Company."* on page 49.

For details of risks pertaining to the non-completion of the proposed Composite Scheme of Arrangement, please refer to "*Risk Factors - There is no assurance that the Composite Scheme of Arrangement will be completed in a timely manner or at all."* on page 41.

Brief details of change in shareholding pattern (if any) of concerned listed entities

The shareholding of our Company will change pursuant to Amalgamation 2.

The pre and post shareholding pattern of our Company would be as follows:

Transferee Company 1 (Pre Amalgamation 1):

Category	**Percentage of Shareholding**
Promoter and Promoter Group*	52.93
Public	47.07
Total	100

* *including Outgoing Promoters, Neera and Children Trust, Dhruv Agarwal Benefit Trust and Manish Agarwal Benefit Trust*

Transferee Company 2 (Post Amalgamation 2):

Category	**Percentage of Shareholding**
Promoter and Promoter Group**	49.40
Public	50.60
Total	100

** *excluding Outgoing Promoters, Neera and Children Trust, Dhruv Agarwal Benefit Trust and Manish Agarwal Benefit Trust*

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the Bidding, application, payment of Bid Amount, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and Bidders are assumed to have apprised themselves of the same from our Company or the BRLMs. Prospective Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Bidders that applied in the Issue were required to confirm and have been deemed to have represented to our Company, the BRLMs and their respective directors, officers, agents, employees, counsels, shareholders, affiliates and representatives that they were eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Also see "Selling Restrictions" and "Purchaser Representations and Transfer Restrictions" on pages 195 and 204, respectively.

Our Company, the BRLMs and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Bidders are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBS ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

The Preliminary Placement Document and this Placement Document have not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue has beenmade to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Sections 42 and 62 and other applicable provisions of the Companies Act, 2013 and rules issued thereunder, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Sections 42 and 62 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, our Company, being a listed company in India, may issue Equity Shares to Eligible QIBs, provided that certain conditions are met by such Company. Some of these conditions are set out below:

- the Shareholders have passed a special resolution approving the Issue. Such special resolution must *inter alia* specify that, (a) the allotment of the Equity Shares is proposed to be made pursuant to the QIP; and (b) the relevant date for the QIP;

- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered and the price at which they are offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the Promoters or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of such issuer, which are proposed to be allotted through the Issue, are listed on the Stock Exchange, for a period of at least one year prior to the date of issuance of notice to our shareholders for convening the meeting to seek approval of the shareholders for the above-mentioned special resolution;

- invitation to apply in the Issue must be made through a private placement offer-cum-application (i.e., this Placement Document) and an Application Form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;

- our Company shall have completed allotments with respect to any earlier offer or invitation made by our Company or has withdrawn or abandoned such invitation or offer made by our Company, except as permitted under the Companies Act;

- our Company shall not make any subsequent QIP until the expiry of two weeks from the date of this Issue;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., the Preliminary Placement Document and the Application Form), our Company must prepare and record a list of Eligible QIBs to whom the Issue will be made. The Issue must be made only to such Eligible QIBs whose names are recorded by the issuer prior to the invitation to subscribe;

- our Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited. In accordance with the SEBI ICDR Regulations, securities will be issued and allotment shall be made only in dematerialized form to the allottees; and

- the Promoters and Directors of our Company are not Fugitive Economic Offenders.

At least 10% of the Equity Shares issued pursuant to this Issue to Eligible QIBs was made available for Allocation to Mutual Funds, provided that, if this portion, or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders were not allowed to withdraw or revise downwards their Bids after the Bid/ Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The floor price of the equity shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of the issuer's equity shares of the same class quoted on the stock exchanges during the two weeks preceding the relevant date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of not more than 5% of the floor price is permitted in accordance with the provisions of the SEBI ICDR Regulations. Our Board through its resolution dated December 21, 2023, and a special resolution passed by our Shareholders by way of postal ballot on February 5, 2024, have authorised our Board to decide the quantum of discount up to 5% of the Floor Price at the time of determination of the Issue Price.

The "Relevant Date" mentioned above in case of allotment of Equity Shares, refers to the date of the meeting in which the board of directors or the committee of directors duly authorised by the board of the issuer decides to open the proposed issue and "stock exchange" means any of the recognised stock exchanges in India on which the Equity Shares of the same class are listed and on which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the relevant date.

The Equity Shares must be Allotted within 365 days from the date of the shareholders' resolution approving the Issue and also within 60 days from the date of receipt of subscription money from the relevant Eligible QIBs.

The Equity Shares issued pursuant to the Issue must be issued on the basis of the Preliminary Placement Document and this Placement Document that contains all material information including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. The Preliminary Placement Document and this Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you did not receive a serially numbered copy of the Preliminary Placement Document and this Placement Document addressed to you, you may not rely on the Preliminary Placement Document or this Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The minimum number of Allottees for each QIP shall not be less than:

- two, where the issue size is less than or equal to ₹ 250 crore; and

- five, where the issue size is greater than ₹ 250 crore.

No single Allottee shall be Allotted more than 50% of the Issue Size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "*Bid Process - Application Form*" on page 186.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

Our Company has filed a draft of the Preliminary Placement Document with each of the Stock Exchanges and received the in-principle approval of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to this Issue. We had filed a copy of the Preliminary Placement Document and have filed a copy of this Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules.

The Issue has been authorised and approved by our Board on December 21, 2023 and a special resolution passed by our Shareholders by way of postal ballot on February 5, 2024.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in the Equity Shares and related matters concerning the Issue.

The Equity Shares offered in the Issue have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the Equity Shares offered in the Issue have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S and in accordance with the applicable laws of the jurisdiction where those offers and sales occur. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain other jurisdictions, see "*Selling Restrictions*" on page 195. See "*Purchaser Representations and Transfer Restrictions*" on page 204 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

Issue Procedure

1. On the Issue Opening Date, our Company and the BRLMs circulated serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form to identified Eligible QIBs and the Application Form was specifically addressed to each such Eligible QIBs. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain complete records of such Eligible QIBs in the form and manner prescribed under the PAS Rules, to whom the Preliminary Placement Document and the serially numbered Application Form have been dispatched or circulated, as the case may be. Our Company will make the requisite filings with RoC within the stipulated time period as required under the Companies Act and PAS Rules.

2. **The list of Eligible QIBs to whom the Preliminary Placement Document and the Application Form was delivered was determined by our Company in consultation with the BRLMs. Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which included the details of the bank account wherein the Bid Amount was to be deposited, was addressed to a particular Eligible QIB, no invitation to make an offer to subscribe was deemed to have been made to such Eligible QIB. Even if such documentation came into the possession of any person other than the intended recipient, no offer or invitation to offer was deemed to have been made to such person and any application that did not comply with this requirement wastreated as invalid. The Application Form could have been signed physically or digitally, as required under**

applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB could submit an unsigned copy of the Application Form, as long as the Bid Amount was paid along with submission of the Application Form within the Bid/Issue Period. Once a duly filled Application Form was submitted by an Eligible QIB, whether signed or not, and the Bid Amount had been transferred to the Escrow Account, such Application Form constituted an irrevocable offer and could not be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids were being made on behalf of the Eligible QIB and this Application Form was unsigned, it was assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB was authorised to do so.

3. Eligible QIBs were required to submit an Application Form, including any revisions thereof, along with the Bid Amount transferred to the Escrow Account specified in the Application Form and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Bid/ Issue Period to the BRLMs.

4. Bidders were required to indicate the following in the Application Form:

   - full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details (if applicable), phone number and bank account details;
   - number of Equity Shares Bid for;
   - price at which they were agreeable to subscribe to the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;
   - details of the beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited pursuant to the Issue;
   - Equity Shares held by the Bidder in our Company prior to the Issue;
   - it has agreed to certain other representations set forth in the Application Form and the Preliminary Placement Document; and
   - A representation that it is outside the United States acquiring the Equity Shares in an “offshore transaction” as defined in, and in reliance on, Regulation S, and it has agreed to certain other representations set forth in the Placement Document and in the Application Form.

   NOTE**:** *Eligible FPIs were required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds were required to specifically state the names of the concerned schemes for which the Bids were made. In case of a Mutual Fund, a separate Bid could have been made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund were not treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid had been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders were advised to ensure that any single Bid from them did not exceed the investment limits or maximum number of Equity Shares that could be held by them under applicable laws.*

5. Eligible QIBs was required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of “Allcargo Gati Limited - QIP Escrow Account 2024” with the Escrow Bank, within the Bid/Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares were required to be made from the bank accounts of the relevant Bidders and our Company was required to keep a record of the bank account from where such payment had been received. No payment was be made in the Issue by the Bidders in cash. Bid Amount payable on Equity Shares to be held by joint holders was paid from the bank account of the person whose name appeared first in the Application Form. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Bid Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013.

Notwithstanding the above, in the event (a) any Bidder was not Allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder was lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount had been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but on or prior to the Issue Closing Date, the excess Bid Amount was be refunded to the same bank account from which it was remitted, in the form and manner set out in "– *Refunds*" on page 191.

6. Once a duly completed Application Form was submitted by a Bidder, whether signed or not, and the Bid Amount was transferred to the Escrow Account, such Application Form constituted an irrevocable offer and the Bid could not be withdrawn or revised downwards after the Bid/ Issue Closing Date. In case of an upward revision before the Bid/ Issue Closing Date, an additional amount was required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Bid/ Issue Closing Date was notified to the Stock Exchanges and the Eligible QIBs were deemed to have been given notice of such date after receipt of the Application Form.

7. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, on or before the Bid/ Issue Closing Date, our Company, in consultation with BRLMs determined the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the BRLMs, on behalf of our Company, had sent the serially numbered CAN and this Placement Document to the Successful Bidders. The dispatch of a CAN, and this Placement Document to a Successful Bidder has been deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN contains details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it was assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Bid/Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form. **Please note that the Allocation is at the absolute discretion of our Company and shall be in consultation with the BRLMs.**

8. The Bidder acknowledges that in terms of the requirements of the Companies Act, 2013, upon Allocation, our Company has disclosed the names of proposed allottees and the percentage of their post-Issue shareholding in this Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.

9. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the BRLMs, have, on our behalf, sent a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

10. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.

11. Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI.

12. After passing the resolution passed by the Board or the fund raise committee approving the Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

13. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

14. Our Company will then apply for the final trading approvals from the Stock Exchanges.

15. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

16. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the BRLMs shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Bidders are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Eligible QIBs

17. Only Eligible QIBs as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, and not otherwise restricted from participating in the Issue under the applicable law, were considered as Eligible QIBs. However, with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules were considered as Eligible QIBs. FVCIs were permitted to participate in the Issue. Currently, QIBs, who were eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- Eligible FPIs;
- insurance companies registered with the Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India.
- multilateral and bilateral development financial institutions eligible to invest in India;
- Mutual Funds, VCFs, AIFs;
- pension funds with minimum corpus of ₹ 25 crore;
- provident funds with minimum corpus of ₹ 25 crore;
- public financial institutions as defined under Section 2(72) of the Companies Act;
- scheduled commercial banks;
- state industrial development corporations;
- systemically important non-banking financial companies;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India; and
- subject to such QIB not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations.

ELIGIBLE FPIs WERE PERMITTED TO PARTICIPATE IN THE ISSUE UNDER SCHEDULE II OF FEMA RULES. ELIGIBLE FPIs WERE PERMITTED TO PARTICIPATE IN THIS ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND CONDITIONS AND RESTRICTIONS WHICH MAY BE SPECIFIED BY THE GOVERNMENT FROM TIME TO TIME, AND SUCH THAT THE SHAREHOLDING OF THE FPIs DID NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCI'S WERE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

Other eligible non-resident QIBs could participate in the Issue under Schedule I of the FEMA Rules.

In terms of the SEBI FPI Regulations, the Equity Shares issued to a single Eligible FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) should not exceed 10% of post-Issue Equity Share capital of our Company. Further, in terms of the FEMA Rules, the total holding of each FPI or its investor group shall be below 10% of the total post issue paid-up Equity Share capital of our Company on a fully diluted basis. With effect from April 1, 2020, the aggregate limit for FPI investments is the sectoral cap applicable to our Company i.e. 100% on a fully diluted basis. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that the individual investment of the FPI in our Company does not exceed 10% of the post -Issue paid-up capital of our Company on a fully diluted basis.

In case the holding of an FPI including its investor group increases to 10% or more of the total post-Issue paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the above prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. Further, the aggregate permissible limit of all FPIs investments, with effect from April 1, 2020, is the sectoral cap applicable to the sector in which our Company operates.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of P- Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed National Securities Depository Limited as the designated depository to monitor the level of FPI / NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant to its Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in Indian listed companies be made operational with effect from June 1, 2018. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The stock exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 195 and 204, respectively.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being a promoter, or any person related to, the Promoters. QIBs, which have all or any of the following rights, shall be deemed to be persons related to the Promoters:

- rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter group;
- veto rights; or
- a right to appoint any nominee director on the board of the issuer.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

Our Company, the BRLMS and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that

they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the BRLMs who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and the BRLMs in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document and this Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document and this Placement Document, a Bidder will be deemed to have made all the representations, warranties, acknowledgements and agreements made under "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" *and "Purchaser Representations and Transfer Restrictions"* on pages 1, 3, 195 and 204, respectively, including as follows:

1. The Eligible QIB confirmed that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. The Eligible QIB confirmed that it is not a Promoter and is not a person related to the Promoter(s), either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter(s) or members of the Promoter Group or persons related to the Promoter(s);

3. The Eligible QIB confirmed that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the Promoters;

4. The Bidder confirmed that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

5. The Eligible QIB acknowledged that it has no right to withdraw or revise its Bid downwards after the Bid / Issue Closing Date;

6. The Eligible QIB confirmed that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than the floor of a recognised Stock Exchange;

7. The Eligible QIB confirmed that the Bidder is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The Bidder further confirmed that the holding of the Bidder, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Bidder;

8. The Eligible QIB confirmed that its Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations;

9. The Eligible QIB agreed that it will make payment of its Bid Amount along with submission of the Application Form within the Issue Period. The Bidder agreed that once a duly filled Application Form is submitted by a Bidder, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constituted an irrevocable offer and could not be withdrawn or revised downwards after the Bid/Issue Closing Date;

10. The Eligible QIB agreed that although the Bid Amount was required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the BRLMs. The Eligible QIB further acknowledged and agreed that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

11. The Eligible QIB acknowledged that in terms of the requirements of the Companies Act, upon Allocation, our Company has disclosed names as "proposed Allottees" and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document and such QIB consented of such disclosure, if any Equity Shares were Allocated to it. However, the Eligible QIB further acknowledged and agreed that, disclosure of such details as "proposed Allottees" in this Placement Document does not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs;

12. The Eligible QIB confirmed that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    (a) QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Bidder, its subsidiary(ies) or holding company and any other Bidder; and

    (b) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

13. The Eligible QIB acknowledged that no Allocation shall be made to them if the price at which they have Bid for in the Issue was lower than the Issue Price;

14. The Eligible QIB confirmed that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

15. Each Eligible FPI, confirmed that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledged that Eligible FPIs could invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirmed that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations; and

16. A representation that it is outside the United States, is acquiring the Equity Shares in an "offshore transaction" as defined in and in reliance on Regulation S and is not an affiliate of the Company or a person acting on behalf of such an affiliate and it has agreed to certain other representations set forth in the Application Form.

ELIGIBLE QIB WERE REQUIRED TO PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN OR PAN ALLOTMENT LETTER, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE

APPLICATION FORM. ELIGIBLE QIBs WERE REQUIRED TO ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM WAS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BRLMs, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO THE BRLMs TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BRLMs, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WERE REQUIREDTO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account were obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount was remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder was deemed a valid, binding and irrevocable offer for such Bidder and became a binding contract on a Successful Bidder upon issuance of the CAN and this Placement Document (when dispatched) by our Company (by itself or through the BRLMs) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter (as applicable). The Bid Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the BRLMs either through electronic form or through physical delivery at the following address:

Name of BRLMs	Address	Contact person	E-mail	Contact number
Nuvama Wealth Management Limited (*Formerly known as Edelweiss Securities Limited*)	801- 804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra, India	Pari Vaya / Manish Tejwani	Project.Sakura@nuvama.com	+91 22 4009 4400
Equirus Capital Private Limited	12th Floor, C Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai 400 013 Maharashtra, India	Malay Shah	Agl.qip@equirus.com	+91 22 43320700

The BRLMs were not required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

All Application Forms were required to be duly completed, and Bidders Bidding in the Issue were required to pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

Bank account for Payment of Bid Amount

Our Company has opened the Escrow Account in the name of "Allcargo Gati Limited - QIP Escrow Account 2024" with the Escrow Bank, in terms of the Escrow Agreement. Each Bidder was required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders could make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments were made only through electronic fund transfer. Payments made through cash, demand draft or cheques were liable to be rejected. Further, if the payment was not made favouring the Escrow Account, the Application Form was liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in "Allcargo Gati Limited - QIP Escrow Account 2024" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Company is not able to Allot Equity Shares in the Issue.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the Stock Exchanges during the two weeks preceding the Relevant Date. However, our Company had offered a discount of 4.78% amounting to ₹ 5.07 on the Floor Price in accordance with the approval of our Shareholders by way of a special resolution dated February 5, 2024 through postal ballot in terms of Regulation 176(1) of the SEBI ICDR Regulations.

The "Relevant Date" referred to above will be the date of the meeting in which the Board (or a duly constituted committee thereof) decides to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. After finalisation of the Issue Price, our Company shall update the Preliminary Placement Document with the Issue details and file this Placement Document with the Stock Exchanges.

Build-up of the Book

The Bidders were required to submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the BRLMs. Such Bids could notbe withdrawn or revised downwards after the Bid/ Issue Closing Date. The book was maintained by the BRLMs.

Method of Allocation

Our Company deteremined the Allocation in consultation with the BRLMs on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price were grouped together to determine the total demand. The Allocation to all such Eligible QIBs was made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size was undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with BRLMs has the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BRLMs IN RESPECT OF ALLOCATION IS FINAL AND BINDING ON ALL ELIGIBLE QIBs. ELIGIBLE QIBs MAY NOTE THAT ALLOCATION OF EQUITY SHARES WAS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE BRLMs AND ELIGIBLE QIBs MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BRLMs ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the BRLMs, in their sole and absolute discretion, have decided the Successful Bidders. Our Company has dispatched a serially numbered CAN to all the Bidders pursuant to which the details of the Equity Shares Allocated to them (if any), the Issue Price and the Bid Amount for the Equity Shares Allocated to them have beennotified to such Successful Bidders. The CAN includes details of amount to be refunded, if any, to such Bidders. Additionally, the CAN includes the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would have been sent a serially numbered Placement Document (which includes the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and this Placement Document, to the Eligible QIBs has been deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board / its committee will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLMs.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB has beendeemed to have made the representations and warranties as specified in section "*Notice to Investors*" on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, transfer of securities of listed companies in physical form is not permitted pursuant to Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts with the Depository Participants, our Company shall apply for the final listing and trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company from the Stock Exchanges and our Company files the return of Allotment in connection with the Issue with the RoC within the prescribed timelines under the Companies Act.

7. After finalization of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and filed it with the Stock Exchanges as this Placement Document, which will includes names of the proposed Allottees and the percentage of their post-Issue shareholding in the Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with this Placement Document.

8. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees, and the percentage of their post-Issue shareholding in our Company is required to be disclosed in this Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder was lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount had been paid by such Bidder, or the Bidder had deposited the Bid Amount arrived at using a price higher than the Issue Price or Equity Shares were not Allocated to a Bidder for any reasons or the Issue was cancelled prior to Allocation, or a Bidder lowered or withdrew the Bid prior to the Bid/ Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted as set out in the Application Form. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of Bid Amount, our Company shall repay the Bid Amount within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate of 12% p.a. from expiry of the sixtieth day. The Bid Amount to be refunded by us shall be refunded to the same bank account from which Bid Amount was remitted by the Bidders, as mentioned in the Application Form.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until receipt of notice from the BRLM's the final listing and trading approvals of the Stock Exchanges and our Company files the return of Allotment in connection with the Issue with the RoC, whichever is later.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents were required to be provided along with the Application Form submitted with the Company/BRLMs as soon as practicable.

Permanent Account Number or PAN

Each Bidder were mention its PAN allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. However, this requirement may not apply to certain Bidders who are exempted from the requirement of obtaining a PAN under the IT Act. Further, the Application Forms without this information were considered incomplete and were liable to be rejected. It is to be specifically noted that applicants could not submit the GIR number instead of the PAN as the Application Form was liable to be rejected on this ground.

Bank account details

Each Bidder was required to mention the details of the bank account from which the payment of Bid Amount had been made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the BRLMs, could reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the BRLMs in relation to the rejection of Bids was final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder as set out in the Application Form. For details, see "- *Bid Process*" and "- *Refunds*" on pages 186 and 191 respectively.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue was required to have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the BRLMs shall not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT AND LOCK-UP

Placement Agreement

The BRLMs has entered into the Placement Agreement dated June 24, 2024 with our Company, pursuant to which the BRLMs have agreed, subject to certain conditions, to manage this Issue and to act as placement agents in connection with the proposed Issue and procure subscription to Equity Shares to be placed with the Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act read with Rule 14 of the PAS Rules, to the extent applicable, as amended and other applicable provisions of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations, warranties and indemnities from our Company, and it is subject to satisfaction of certain conditions and subject to termination in accordance with the terms contained therein.

The Preliminary Placement Document and this Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares offered pursuant to the Issue will be offered in India or overseas to the public or any members of the public or any other class of prospective investors, other than Eligible QIBs.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares offered in this Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S and in accordance with the applicable laws of the jurisdiction where those offers and sales are made. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain other jurisdictions, see "*Selling Restrictions*" on page 195. See "*Purchaser Representations and Transfer Restrictions*" on page 204 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for the Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

Relationship with the Book Running Lead Managers

In connection with the Issue, the BRLMs (or its affiliates) may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be offered pursuant to the Issue at the same time as the offer and subscription or sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the BRLMs may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. The Affiliates of the BRLMs could have purchased Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see "*Offshore Derivative Instruments*" on page 9.

From time to time, the BRLMs, its affiliates and its associates have been engaged in or may in the future engage in transactions with and perform services, including but not limited to investment banking, advisory, commercial banking, trading services for our Company, our Subsidiary, affiliates and the Shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the BRLMs and its respective affiliates and associates.

Lock-up

Under the Placement Agreement, our Company undertakes that it will not for a period of 60 days from the date of Allotment under the Issue, without the prior written consent of the BRLMs, directly or indirectly:

(a) purchase, lend, sell, offer, issue, contract to issue, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares or any securities convertible into or exercisable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned), or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing; or

(b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise); or

(c) deposit Equity Shares with any other depositary in connection with a depositary receipt facility;

(d) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares in any depository receipt facility; or

(e) publicly announce any intention to enter into any transaction falling within (a) to (d) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (d) above.

Provided that, the foregoing restriction shall not apply to (i) the issuance of Equity Shares pursuant to the Issue; and (ii) shall not apply to an issuance of Equity Shares or options pursuant to any employee stock option scheme formulated by our Company.

Promoter's Lock-up (Allcargo Logistics Limited)

Under the Placement Agreement, to facilitate the BRLMs to enter into the Agreement and continue its efforts in connection with the Issue and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby agrees, severally and jointly, on behalf of themselves and the Promoter Group that we will not without the prior written consent of the BRLMs, during the period commencing on the date hereof and ending 60 days after the date of allotment of the Equity Shares (the "**Lock-up Period**"), directly or indirectly:

(a) transfer, offer, lend, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for the Equity Shares or publicly announce an intention with respect to any of the foregoing;

(b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable or exchangeable for the Equity Shares;

(c) deposit Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares or which carry the right to subscribe for or purchase Equity Shares in depository receipt facilities or enter into any such transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale or deposit of Equity Shares in any depository receipt facility; or

(d) announce any intention to enter into any transaction whether any such transaction described in (a) or (b) or (c) above is to be settled by delivery of the Equity Shares, or such other securities, in cash or otherwise, provided, however, that the foregoing restrictions shall not apply to any inter se transfer of Equity Shares between us.

It is agreed that any Equity Shares acquired by one of the Promoters (Allcargo Logistics Limited) during the Lock-up Period, either from the open market or inter-se transfer, shall constitute Lock-up Shares, and shall be subject to the restrictions contained herein. It undertakes that the restrictions in the lock-up letter (the "**Lock-Up Letter**") shall be applicable to all the Lock-up Shares.

SELLING RESTRICTIONS

General

The Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations and the Companies Act.

The distribution of this Placement Document and the offer and sale of the Equity Shares offered in the Issue is restricted by law in certain jurisdictions. This Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised. Except for in India, no action has been taken or will be taken that would permit the offer and sale of the Equity Shares offered in the Issue to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Placement Document or any other material relating to the Issue in any jurisdiction where action for such purpose is required, except in India. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any other material relating to the Issue may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Therefore, persons who may come into possession of this Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions.

Each purchaser of the Equity Shares in this Issue will be deemed to have made the representations, warranties, acknowledgments and agreements as described in this section and under "*Notice to Investors*", "*Representations by Investors"* and "*Purchaser Representations and Transfer Restrictions*" on pages 1, 3 and 204, respectively.

Republic of India

This Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

Australia

This Placement Document is not a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) ("**Corporations Act**") and has not been lodged with the Australian Securities and Investments Commission and it does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act.

No offer will be made under this Placement Document to investors to whom disclosure is required to be made under Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to represent and warrant that it is either a "sophisticated investor" or a "professional investor" and that not it is not a "retail client" within the meaning of those terms in the Corporations Act.

The Equity Shares acquired in the Issue in Australia must not be offered for sale in Australia in the period of 12 months after the date of the Allotment, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under Section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to undertake to our Company that it will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those Equity Shares to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act.

No financial product advice is provided in this Placement Document and nothing in this Placement Document should be taken to constitute a recommendation or statement of opinion that is intended to influence a person or persons in making a decision to invest in the Equity Shares offered in the Issue.

This Placement Document does not take into account the objectives, financial situation or needs of any particular person. Before acting on the information contained in this Placement Document, or making a decision to invest in the Equity Shares offered in the Issue, prospective investors should seek professional advice as to whether investing in the Equity Shares is appropriate in light of their own circumstances.

None of the Book Running Lead Managers or any of their respective affiliates is the holder of an Australian Financial Services Licence.

Bahrain

All marketing and offering of the Equity Shares in the Issue has been made and will be made outside the Kingdom of Bahrain. This Placement Document and the Equity Shares offered in the Issue have not been registered, filed, approved or licensed by the Central Bank of Bahrain ("**CBB**"), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism ("**MOICT**") or any other relevant licensing authorities in the Kingdom of Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in this Placement Document, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Placement Document is only intended for Accredited Investors as defined by the CBB and the Equity Shares offered by way of private placement may only be offered in minimum subscriptions of USD 100,000 (or equivalent in other currencies). No invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares is being made and this Placement Document will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved this Placement Document and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of the Equity Shares.

British Virgin Islands

This Placement Document is not an offer to sell, or a solicitation or invitation to make offers to purchase or subscribe for, the Equity Shares offered in the Issue in the British Virgin Islands (the "**BVI**"). This Placement Document may not be sent or distributed to persons in the BVI and the Equity Shares are not available to, and no invitation or offer to subscribe, purchase or otherwise acquire the Equity Shares may be made to, persons in the BVI. However, the Equity Shares may be offered and sold to business companies incorporated in the BVI pursuant to the BVI Business Companies Act, international limited partnerships formed in the BVI pursuant to the Limited Partnership Act 1996 and limited partnerships formed in the BVI pursuant to the Limited Partnership Act, 2017 provided that any such offering and sale is made outside the BVI.

Cayman Islands

The Placement Document does not constitute an offer or invitation to the public in the Cayman Islands to subscribe for Equity Shares in the Issue.

People's Republic of China

This Placement Document does not constitute an offer of the Equity Shares offered in the Issue, whether by way of sale or subscription, in the People's Republic of China (the "**PRC**"). The Equity Shares offered in the Issue are not being offered or sold, directly or indirectly, in the PRC or for the benefit of legal or natural persons in the PRC. According to legal and regulatory requirements of the PRC, the Equity Shares offered in the Issue may, subject to the laws and regulations of the relevant jurisdictions, only be offered or sold to non-PRC natural or legal persons in any country other than the PRC.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Relevant State**"), an offer to the public of any Equity Shares in the Issue may not be made in that Relevant State, except if the Equity Shares are offered to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation (EU) 2017/1129 (and any amendment thereto) (the "**Prospectus Regulation**"):

- to any legal entity that is a qualified investor, as defined in the Prospectus Regulation;

- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the Book Running Lead Managers for any such offer;

- or in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company or the Book Running Lead Managers of a prospectus pursuant to Article 3 of the Prospectus Regulation.

For the purposes of this section, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

Each person in a Relevant State who acquires Equity Shares in the Issue or to whom any offer is made shall be deemed to have represented that it is a "qualified investor" as defined in the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant State to qualified investors (as so defined) or in circumstances in which the prior consent of the Book Running Lead Managers has been obtained to each such proposed offer or resale.

Our Company, the Book Running Lead Managers and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Hong Kong

This Placement Document has not been reviewed or approved by any regulatory authority in Hong Kong. In particular, this Placement Document has not been, and will not be, registered as a "prospectus" in Hong Kong under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) ("**CO**") nor has it been authorised by the Securities and Futures Commission ("**SFC**") in Hong Kong pursuant to the Securities and Futures Ordinance (Cap 571) ("**SFO**"). Recipients are advised to exercise caution in relation to the Issue. If recipients are in any doubt about any of the contents of this Placement Document, they should obtain independent professional advice.

This Placement Document does not constitute an offer or invitation to the public in Hong Kong to acquire any Equity Shares nor an advertisement of the Equity Shares in Hong Kong. This Placement Document must not be issued, circulated or distributed in Hong Kong other than:

(a) to "professional investors" within the meaning of the SFO and any rules made under that ordinance ("**Professional Investors**"); or

(b) in other circumstances which do not result in this Placement Document being a prospectus as defined in the CO nor constitute an offer to the public which requires authorization by the SFC under the SFO.

Unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Equity Shares, which is directed at, or the content of which is likely to be accessed or read by, the public of Hong Kong other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors.

Any offer of the Equity Shares will be personal to the person to whom relevant offer documents are delivered, and a subscription for the Equity Shares will only be accepted from such person. No person who has received a copy of this Placement Document may issue, circulate or distribute this Placement Document in Hong Kong or make or give a copy of this Placement Document to any other person. No person allotted Equity Shares may sell, or offer to sell, such Equity Shares to the public in Hong Kong within six months following the date of issue of such Equity Shares.

Japan

No securities registration statement in relation to the solicitations of the Equity Shares offered in the Issue in Japan (the "**Solicitations**") has been or will be filed pursuant to Article 4, Paragraph 1 of the Financial Instrument and Exchange Law of Japan (the "**FIEL**"). The Solicitations shall only be made (i) to Qualified Institutional Investors and (ii) to no more than 49 persons (excluding any Qualified Institutional Investors) during the six-month period prior to the contemplated date of the allotment of the Equity Shares in the Issue.

Any Qualified Institutional Investors who acquire Equity Shares in the Issue (a) may not, directly or indirectly, resell, assign, transfer, or otherwise dispose of the Equity Shares to any person in Japan or to or for the benefit of any resident of Japan, including any corporation or other entity organised under the laws of Japan, except to Qualified Institutional Investors; and (b) shall deliver a notification indicating (a) and (b) herein to any transferee of the Equity Shares.

Capitalized terms used in this sub-section and not defined in this Placement Document have the meanings given to those terms in the FIEL.

Jordan

The Equity Shares offered in the Issue have not been and will not be offered, sold or delivered at any time, directly or indirectly, in the Hashemite Kingdom of Jordan in a manner that would constitute a public offering. This Placement Document has not been and will not be reviewed or approved by, or registered with, the Jordan Securities Commission in accordance with its regulations and any other regulations in the Hashemite Kingdom of Jordan. The Equity Shares are not and will not be traded on the Amman Stock Exchange. The Equity Shares have not been and will not be offered, sold or promoted or advertised in Jordan other than in compliance with the Securities Law No. (76) of 2002, as amended, the Law Regulating Dealings in Foreign Exchange No. (50) of 2008, and regulations issued pursuant thereto governing the issue of offering and sale of securities. Without limiting the foregoing, the Equity Shares have not been and will not, in any manner, be offered, sold, promoted or advertised to more than thirty (30) persons in Jordan, without complying with the required approval and notification requirements set-out under the above-referenced laws and the regulations issued pursuant to them.

Kuwait

This Placement Document has not been licensed for the offering, promotion, marketing, advertisement or sale of the Equity Shares offered in the Issue in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares offered in the Issue in the State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of securities in the State of Kuwait ("**Kuwait Securities Laws**"). Therefore, in accordance with the Kuwait Securities Laws, no private or public offering of the Equity Shares is or will be made in the State of Kuwait, no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Mauritius

In accordance with The Securities Act 2005 of Mauritius, no offer of the Equity Shares offered in the Issue may be made to the public in Mauritius without, amongst other things, the prior approval of the Mauritius Financial Services Commission. This Placement Document has not been approved or registered by the Mauritius Financial Services Commission. Accordingly, this Placement Document does not constitute a public offering. This Placement Document is for the exclusive use of the person to whom it has been given by the Book Running Lead Managers and is a private concern between the sender and the recipient.

New Zealand

This Placement Document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMA Act**"). The Equity Shares offered in the Issue may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who: (a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act; (b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act; (c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act; (d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or (e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Oman

This Placement Document does not constitute an offer to sell or the solicitation of any offer to buy non-Omani securities in the Sultanate of Oman. This Placement Document is strictly private and confidential and is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of the Sultanate of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient.

This Placement Document has not been approved by the Capital Market Authority of Oman (the "**CMA**") or any other regulatory body or authority in the Sultanate of Oman ("**Oman**"), nor have the Book Running Lead Managers received authorisation, licensing or approval from the CMA or any other regulatory authority in Oman, to market, offer, sell, or distribute the Equity Shares in Oman.

No marketing, offering, selling or distribution of any Equity Shares has been or will be made from within Oman and no subscription for any Equity Shares may or will be consummated within Oman. None of the Book Running Lead Managers is a company licensed by the CMA to provide investment advisory, brokerage, or portfolio management services in Oman, nor a bank licensed by the Central Bank of Oman to provide investment banking services in Oman. None of the Book Running Lead Managers advise persons or entities resident or based in Oman as to the appropriateness of investing in or purchasing or selling securities or other financial products.

The Equity Shares offered in the Issue have not and will not be listed on any stock exchange in the Sultanate of Oman.

Nothing contained in this Placement Document is intended to constitute Omani investment, legal, tax, accounting or other professional advice. This Placement Document is for your information only, and nothing herein is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice on the basis of your situation.

Qatar (excluding the Qatar Financial Centre)

This Placement Document does not, and is not intended to, constitute an invitation or an offer of Equity Shares in the State of Qatar and accordingly should not be construed as such. The Equity Shares offered in the Issue have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of the Equity Shares in the State of Qatar.

By receiving this Placement Document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, or any other authority or agency in the State of Qatar; (b) our Company and the Book Running Lead Managers are not authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Issue has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. Our Company and the Book Running Lead Managers are not, by distributing this Placement Document, advising individuals resident in the State of Qatar as to the appropriateness of purchasing Equity Shares in the Issue. Nothing contained in this Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Qatar Financial Centre

This Placement Document does not, and is not intended to, constitute an invitation or offer of Equity Shares from or within the Qatar Financial Centre ("**QFC**"), and accordingly should not be construed as such. This Placement Document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This Placement Document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company has not been approved or licenced by or registered with any licensing authorities within the QFC.

Singapore

This Placement Document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore ("**MAS**") under the Securities and Futures Act (Chapter 289) of Singapore ("**SFA**"). Accordingly, the Equity Shares offered in the Issue may not be offered or sold, or made the subject of an invitation for subscription or purchase nor may this Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Equity Shares be circulated or distributed, whether directly or indirectly, in Singapore other than (i) to an "institutional investor" within the meaning of Section 274 of the SFA and in accordance with the conditions of an exemption invoked under Section 274, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) other pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for a corporation, in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), our Company has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(1) of the SFA) that the Equity Shares are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

South Africa

In South Africa, the offering of the Equity Shares in the Issue will only be made by way of private placement to:

(a) selected persons falling within one of the specified categories listed in section 96(1)(a) of the South African Companies Act of 2008, as amended (the "**South African Companies Act**"); and

(b) selected persons, acting as principal, acquiring Equity Shares for a total acquisition cost of ZAR1,000,000 or more, as contemplated in section 96(1)(b) of the South African Companies Act,

and in each case to whom the offer of the Equity Shares will specifically be addressed, and only by whom the offer will be capable of acceptance (the "**South African Qualifying Investors**"). This Placement Document is being made available only to such South African Qualifying Investors. The information contained in this Placement Document does not constitute, nor form part of, any offer or invitation to sell or issue, an advertisement or any solicitation of any offer or invitation to purchase or subscribe for any Equity Shares and is not an "offer to the public" as contemplated in the South African Companies Act. This Placement Document does not, nor does it intend to, constitute a "registered prospectus" or an "advertisement", as contemplated by the South African Companies Act and no prospectus has been filed with the Companies and Intellectual Property Commission (the "**CIPC**") in respect of the Issue. As a result, this Placement Document does not comply with the substance and form requirements for a prospectus set out in the South African Companies Act and the South African Companies Regulations of 2011, and has not been approved by, and/or registered with, the CIPC.

The information contained in this Placement Document constitutes factual information as contemplated in section 1(3)(a) of the South African Financial Advisory and Intermediary Services Act of 2002, as amended (the "**FAIS Act**"), and should not be construed as an express or implied recommendation, guide or proposal that any particular transaction in respect of the Equity Shares or in relation to the business or future investments is appropriate to the particular investment objectives, financial situation or needs of a prospective investor, and nothing in this Placement Document should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa. Our Company is not a financial services provider licenced as such under the FAIS Act.

South Korea (Republic of Korea)

No securities registration statement in relation to the Solicitations (as defined under Financial Investment Services and Capital Markets Act of the Republic of Korea ("**South Korea**") (the "**FISCMA**")) of the Equity Shares offered in the Issue in South Korea has been or will be filed pursuant to the FISCMA. The Solicitations shall only be made (i) to certain professionals as prescribed in the FISCMA and the enforcement decree promulgated thereunder ("**Professional Investors**") and (ii) to no more than 49 persons (excluding any Professional Investors) during the six-month period prior to the contemplated date of the allotment of the Equity Shares in the Issue.

Furthermore, the Equity Shares may not be offered, sold, transferred or delivered for reoffering or resale, directly or indirectly, in South Korea or to, or for the account or benefit of, any resident (as defined under the Foreign Exchange Transactions Act of South Korea and the decree, rules and regulations promulgated thereunder) thereof for a period of one year from the date of the issuance of the Equity Shares, except as otherwise permitted under applicable South Korean laws and regulations.

Switzerland

The offering of the Equity Shares offered in the Issue in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("**FinSA**") because such offering in Switzerland is directed only at investors classified as "professional clients" within the meaning of the FinSA and the Equity Shares offered in the Offer will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This document does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the Issue.

No key information document under article 58 of the FinSA or article 59(2) of the FinSA in respect of the Issue has been prepared and published. Accordingly, the Equity Shares offered in the Issue may not be offered to "private clients" within the meaning of the FinSA in Switzerland.

Each person in Switzerland who acquires Equity Shares in the Issue shall be deemed to have represented to our Company and the Book Running Lead Managers that it is a "professional client" within the meaning of the FinSA and that it has not opted-in to be treated as a "private client" on the basis of article 5(5) of the FinSA.

This document is not intended to constitute an advertising document within the meaning of article 68 of the FinSA and article 95 of the Swiss Federal Financial Services Ordinance.

The Equity Shares do not constitute a participation in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes and are not licensed by the Swiss Financial Market Supervisory Authority ("**FINMA**") thereunder. Accordingly, neither the Equity Shares nor the Shareholders benefit from protection under the Swiss Federal Act on Collective Investment Schemes or supervision by FINMA.

United Arab Emirates (excluding the Dubai International Financial Centre)

No offering, marketing, promotion, advertising or distribution (collectively, "**Promotion"**) of this Placement Document or the Equity Shares may be made in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such

Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to Qualified Investors who are not High Net Worth Individuals (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE.

The Promotion of this Placement Document and the Equity Shares has not been and will not be approved by the SCA and, as such, this Placement Document does not constitute an offer to the general public in the UAE to acquire any Equity Shares. Except where the Promotion of this Placement Document and the Equity Shares is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE, the Promotion of this Placement Document and the Equity Shares in the UAE is being made only to Qualified Investors who are not High Net Worth Individuals (as such terms are defined in the Promotion and Introduction Regulations).

None of the SCA, the Central Bank of the United Arab Emirates or any other regulatory authority in the UAE has reviewed or approved the contents of this Placement Document and nor does any such entity accept any liability for the contents of this Placement Document.

Dubai International Financial Centre

The Equity Shares offered in the Issue are not being offered to any persons in the Dubai International Financial Centre except on that basis that an offer is: (i) an "Exempt Offer" in accordance with the Markets Rules (MKT) (the "**Markets Rules**") adopted by the Dubai Financial Services Authority (the "**DFSA**"); and (ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook and are not natural Persons. This Placement Document must not be delivered to, or relied on by, any other person. The DFSA has not approved this Placement Document nor taken steps to verify the information set out in it and has no responsibility for it. Capitalised terms not otherwise defined in this Placement Document have the meaning given to those terms in the Markets Rules.

The Equity Shares may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Equity Shares offered in the Issue should conduct their own due diligence on the Equity Shares. If you do not understand the contents of this Placement Document, you should consult an authorised financial adviser.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Equity Shares at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Managers for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Equity Shares shall require our Company or the Book Running Lead Managers to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

This Placement Document may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (all such persons together being referred to as "relevant persons"). This Placement Document is directed only at relevant persons. Other persons should not act on this Placement Document or any of its contents. This Placement Document is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any other purpose.

United States

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S. To help ensure compliance with Regulation S, each purchaser of Equity Shares in the Issue will be deemed to have made the representations, warranties, acknowledgements and agreements set forth in "*Purchaser Representations and Transfer Restrictions*" on page 204. The Equity Shares purchased in the Issue are transferable only in accordance with the restrictions described in "*Purchaser Representations and Transfer Restrictions*" on page 204.

Until the expiry of 40 days after the commencement of the Issue, an offer or sale of Equity Shares offered in the Issue within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the U.S. Securities Act.

PURCHASER REPRESENTATIONS AND TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to subscribing for Equity Shares offered in the Issue or making any resale, pledge or transfer of the Equity Shares purchased in the Issue.

Pursuant to Chapter VI of the SEBI ICDR Regulations, the Equity Shares Allotted in the Issue are not permitted to be sold for a period of one year from the date of Allotment, except on floor of the BSE or the NSE. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to an investment in the Equity Shares and related matters concerning the Issue..

United States

Each purchaser of the Equity Shares offered in the Issue shall be deemed to have represented, warranted and acknowledged to and agreed with our Company and the Book Running Lead Managers as follows:

- It understands that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and are being offered and sold to it in reliance on Regulation S.

- It was outside the United States at the time the offer of the Equity Shares offered in the Issue was made to it and it was outside the United States when its buy order for the Equity Shares offered in the Issue was originated.

- It did not purchase the Equity Shares offered in the Issue as a result of any "directed selling efforts" (as defined in Regulation S).

- It is buying the Equity Shares offered in the Issue for investment purposes and not with a view to the distribution thereof. If in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares offered in the Issue, it agrees that it will not offer, sell, pledge or otherwise transfer the Equity Shares offered in the Issue except in transactions complying with Rule 903 or Rule 904 of Regulation S or an available exemption from registration under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.

- Where it is subscribing to the Equity Shares offered in the Issue as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and it has full power to make the representations, warranties, agreements and acknowledgements herein.

- Where it is subscribing to the Equity Shares offered in the Issue for one or more managed accounts, it represents and warrants that it was authorised in writing by each such managed account to subscribe to the Equity Shares offered in the Issue for each managed account and to make (and it hereby makes) the representations, warranties, agreements and acknowledgements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It agrees to indemnify and hold our Company and the Book Running Lead Managers harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares purchased in the Issue.

- It acknowledges that our Company, the Book Running Lead Managers and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, agreements and acknowledgements.

Our Company, our representatives and our agents will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares purchased in the Issue, made other than in compliance with the restrictions set forth herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company, or the BRLMs or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and the NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Stock Exchanges Regulation

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SECC Regulations**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum net worth requirements for stock exchanges. The SCRA, the SCRR and the SECC Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

Established in 1875, it is the oldest stock exchange in India and was the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, the BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act, and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations, SEBI Listing Regulations. The SCRA and the SCRR empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Further, the SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, to govern the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding at 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% (except public sector undertakings) at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at four stages of the index movement, at 5%, 10%, 15% and 20%. The stock exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier. If any of these circuit breaker thresholds are reached, trading in all equity and equity derivatives markets nationwide is halted. The markets are required to re-open, after a circuit breaker threshold is hit, with a pre-open call auction session. The timing of the halt and the pre-open call auction session varies depending on the time of day and the circuit breaker breached.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise circuit breakers. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading ("**BOLT**") facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform, BOLT Plus

NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to inter alia prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to, *inter alia*, continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies are governed by the SEBI Takeover Regulations which provide specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The SEBI Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provide for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer. The SEBI Takeover Regulations were further amended on June 22, 2020 to exempt any acquisitions by way of preferential issue from the obligation to make an open offer.

SEBI Insider Trading Regulations

SEBI had earlier notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 to prohibit and penalise insider trading in India. The regulations, among other things, prohibited an 'insider' from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the erstwhile regulations of 1992. The SEBI Insider Trading Regulations, *inter alia,* impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations. The SEBI Insider Trading Regulations also provide for disclosure obligations for promoters, employees, and directors, with respect to their shareholding in the company, and the changes therein.

Further, the board of directors or head(s) of the listed entities are required to maintain a structured digital database containing, inter alia, the nature of UPSI, the names of such persons who have shared the UPSI and the names of persons with whom such UPSI is shared under the SEBI Insider Trading Regulations.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is the information relating to the Equity Shares including a brief summary of the Memorandum of Association and Articles of Association and the Companies Act. Bidders are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share Capital

The authorised share capital of our Company is ₹ 35,00,00,000 comprising of 17,50,00,000 Equity Shares (of face value of ₹ 2 each). As on the date of this Placement Document, the issued, subscribed and paid-up share capital of our Company is ₹ 26,05,10,328 comprising of 13,02,55,164 Equity Shares (of face value of ₹ 2 each). The Equity Shares are listed on BSE and NSE. For further details, see *"Capital Structure"* on page 78.

Dividends

Under the Companies Act, 2013, an Indian company pays dividend upon a recommendation by its board of directors and subject to approval by a majority of the shareholders. The dividend on equity shares can be declared/paid only after declaration/payment of applicable dividend on preference shares. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013, no dividend can be declared or paid by a company for any fiscal except, among other things, out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act, 2013 or out of the profits of the company for any previous fiscal arrived at as laid down by the Companies Act, 2013. Further, under the Companies Act, 2013, a company is not permitted to declare any dividends unless carried over previous losses and depreciation not provided in previous year or years are set off against the profit of the company for the current year.

Further, as per the Companies Act read with the Companies (Declaration and Payment of Dividend) Rules, 2014, in the event of inadequacy or absence of profits in any year, a company may declare dividend out of free reserves, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; provided, this shall not apply to a company, which has not declared any dividend in each of the three preceding financial years; (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of the paid up share capital of the company and free reserves of the company as per the most recent audited financial statement; (c) the amount so drawn shall be first utilised to set off the losses incurred by the company in the financial year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of reserves of the company after such withdrawal shall not fall below 15.00% of the company's paid up share capital as per the most recent audited financial statement of the company.

According to the Articles of Association, the Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. In addition, subject to the provisions of Section 123 of the Companies Act, 2013, the Board may from time to time pay to the members such interim dividend as appear to it to be justified by the profits of the Company. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.

Capitalisation of profits and issue of bonus shares

In addition to permitting dividends to be paid as described above, the Companies Act permits the Board, subject to the approval of the Shareholders of our Company, to distribute to the Shareholders, in the form of fully paid-up bonus shares, an amount transferred from the company's free reserves, securities premium account or the capital redemption reserve account. These bonus equity shares must be distributed to the Shareholders in proportion to the number of equity shares owned by them.

Bonus shares can only be issued if the company has not defaulted in payments of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus or principal/interest payments on fixed deposits or debt securities issued by it. Bonus shares shall not be issued in lieu of dividend.

Pre-Emptive Rights and Alteration of share capital

Subject to the provisions of the Companies Act, our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. According to Section 62(1)(a) of the Companies Act such new shares shall be offered to existing shareholders in proportion to the amount paid-up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer or as may be permitted by applicable law) within which the offer, if not accepted, will be deemed to have been declined. After such date, the board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the Shareholders. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person.

Our Articles of Association provide that our Company may, from time to time, by ordinary resolution, undertake any of the following:

- consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

- convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

- sub-divide its shares, or any of them, into shares of smaller amount, such that the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in case of the Share from which the reduced share is derived; or

- cancel any shares which, at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of shares so cancelled. A cancellation of shares pursuant to the Article of Association shall not be deemed to be a reduction of the share capital within the meaning of the Companies Act, 2013.

Issuance of Preference Shares

Subject to Section 55 of the Companies Act, any new shares may be issued as preference shares or convertible preference shares which are liable to be redeemed in any manner permissible under the Companies Act.

General meetings of shareholders

There are two types of general meetings of shareholders: (i) AGM; and (ii) EGM. Our Company must hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. Our Board may convene an EGM when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than one tenth of our Company’s issued paid-up capital carrying a right to vote on such date.

As per the provisions of the Companies Act and the Articles of Association, all general meetings other than Annual General Meetings shall be called Extraordinary General Meetings. The Board may, whenever it thinks fit, call an Extraordinary General Meeting. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. The quorum for a general meeting shall be a provided in the Companies Act. The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.

Voting rights

Subject to provisions of the Companies Act and in accordance with the Articles of Association, subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands, every member present in personal shall have one vote and on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company. A member may exercise his vote at a meeting by electronic means in accordance with the Companies Act and shall vote only once. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by the SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out in the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. We have entered into an agreement for such depository services with NSDL and CDSL. SEBI requires that our shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. The registrar and transfer agent shall maintain a register in which every transfer or transmission of shares will be entered. In addition to complying with the Companies Act, 2013 and the other applicable laws, our Company is also required to comply with the provisions of the SEBI Listing Regulations for effecting the transfer of shares. In terms of the SEBI Listing Regulations, except in case of transmission or transposition of shares, requests for effecting transfer of shares shall not be processed unless the shares are held in the dematerialized form with a depository and that transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. The Equity Shares shall be freely transferable, subject to applicable laws.

Winding up

Our Articles of Association provide that subject to the provisions of the Companies Act and the Rules made thereunder, If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

TAXATION

STATEMENT OF POSSIBLE TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors
Allcargo Gati Limited
4th Floor, B Wing, Allcargo House,
CST Road, Kalina, Vidyanagari,
Santacruz (East), Mumbai, Maharashtra - 400 098

Dear Sir/Madam,

Statement of Possible Tax Benefits available to Allcargo Gati Limited and its shareholders under the Indian tax laws

1. We hereby confirm that the enclosed Annexure, prepared by Allcargo Gati Limited (‘the Company’), provides the possible tax benefits available to the Company and to the shareholders of the Company (the ‘Shareholders’) under the Income-tax Act, 1961 (‘the Act’) as amended by the Finance Act 2023, i.e. applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and / or its Shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company and / or its shareholders may or may not choose to fulfil.
2. The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company’s management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing Direct Tax Laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offering by the Company in a Qualified Institutions Placement in accordance with the provisions of Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "Offering"). We are neither suggesting nor advising the investors to invest in the Offering relying on this statement.
3. We do not express any opinion or provide any assurance as to whether:
    i. the Company or its Shareholders will continue to obtain these possible tax benefits in future;
    ii. the conditions prescribed for availing the possible tax benefits have been / would be met with; and
    iii. the revenue authorities/courts will concur with the views expressed herein.
4. We assume no obligation to update the Statement on any events subsequent to this date, which may have a material effect on the discussion herein.
5. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.
6. This Statement is issued solely for inclusion in the Preliminary Placement Document (PPD) and the Placement Document (PD) in connection with the Offering, to be filed by the Company with the National Stock Exchange of India Limited and BSE Limited, and is not to be used, referred to or distributed for any other purpose.

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

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Aniket Sohani
Partner
Membership Number: 117142

UDIN: 24117142BKDIAE3143
Place of Signature: Mumbai
Date: June 24, 2024

THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO ALLCARGO GATI LIMITED ('THE COMPANY') AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

The information provided below sets out the possible tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 ('the Act') as amended by Finance Act, 2023 i.e. applicable for the Financial Year 2023-24 relevant to Assessment Year 2024-25. Please note that the same is not a detailed analysis or listing of all potential tax benefits, under the Act (presently in force in India). Further, please note that these possible Tax Benefits may be dependent on the Company and its shareholders fulfilling the conditions prescribed under the Tax Laws. Hence, the ability to derive the tax benefits may be dependent upon fulfilling such conditions, which, based on business/commercial imperatives. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice.

1. Possible tax benefits available to the Company

1.1. Lower Corporate tax rate under section 115BAA of the Act

Section 115BAA was inserted in the Act by the Taxation Laws (Amendment) Act, 2019 ('the Amendment Act, 2019') w.e.f. April 1, 2020 (Assessment Year 2020-21). Section 115BAA grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 22% (plus applicable surcharge and education cess).

Section 115BAA of the Act further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax ("**MAT**") on their 'book profit' under section 115JB of the Act. However, such a company will no longer be eligible to avail certain specified exemptions / incentives under the Act and will also need to comply with certain other conditions specified in section 115BAA of the Act.

If a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it was entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.
The Company has not opted for section 115BAA for Financial Year 2022-23. Further, the Company does not have any unutilised MAT credit for the period ending 31 March 2023.

1.2. Deduction under section 35D of the Act

The Company is entitled to amortize preliminary expenditure, being expenditure incurred in connection with the issue for public subscription, under section 35D of the Act, subject to the limit specified in section 35D (3) of the Act.

The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive assessment years beginning with the assessment year in which the business commences or as the case may be, the previous year in which the extension of the undertaking is completed, or the new unit commences production or operation.

The aforesaid deduction is not available while computing MAT liability of the Company under section 115JB of the Act. In accordance with and subject to fulfilment of conditions as laid out under section 35D of the Act, the Company has an option to claim such expenses as allowable expenditure in the computation of taxable income while filing appropriate tax returns in India.

1.3. Deduction in respect of inter-corporate dividends under section 80M of the Act

Pursuant to the amendment made by the Finance Act, 2020, dividend received by a shareholder on or after April 1, 2020 is liable to tax in the hands of the shareholder. The Company is required to deduct tax at source ('TDS') at applicable rate specified under the Act read with applicable Double Taxation Avoidance Agreement (if any).

With respect to a resident corporate shareholder, a section 80M has been inserted in the Act to remove the cascading effect of taxes on inter-corporate dividends from financial year 2020-21 and onwards.

The section provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust which does not exceed the amount of dividend distributed by it on or before the due date. The 'due date' means the date one month prior to the due date for furnishing the return of income under sub-section (1) of section 139 of the Act.

However, it may be pertinent to note that deductions under section 80M cannot be in excess of the Gross Total Income of the Company. Since the Company has investments in India, it can claim the above-mentioned deduction as per the provisions of section 80M of the Act. Further, it is worthwhile to note that deduction under section 80M is available to the Company even in a scenario if the Company opts for section 115BAA, wherein the Company can pay corporate tax @ 22% plus applicable surcharge and cess.

1.4. Deduction in respect of employment of new employees under section 80JJAA of the Act

As per the provisions of section 80JJAA of the Act, a company subject to tax audit under section 44AB of the Act and whose gross total income includes any profit and gains derived from business shall be entitled to claim a deduction of an amount equal to thirty percent of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

Deduction is available in respect of cost incurred on any employee whole total emoluments are less than or equal to INR 25,000 per month and the where the minimum number of days of employment in a financial year is 240 days.

However, it may be pertinent to note that deductions under section 80JJAA cannot be in excess of the Gross Total Income of the Company. Further, it is worthwhile to note that deduction under section 80JJAA is available to the Company even in a scenario if the Company opts for section 115BAA, wherein the Company can pay corporate tax @ 22% plus applicable surcharge and cess.

1.5. Deduction in respect of donations under section 80G of the Act

Deductions in respect of donations subject to conditions prescribed in the Act, the Company is entitled to claim deduction, under the provisions of section 80G of the Act, of an amount equal to hundred per cent or fifty percent (as applicable as per the provisions of the Act) of the amount of donations made by the Company in the relevant previous year.

However, where the Company opts for special rate of tax under section 115BAA of the Act, such deduction shall not be allowed in computation of total income in the relevant previous year. Further, it may be pertinent to note that deductions under section 80G cannot be in excess of the Gross Total Income of the Company. However, deduction under section 80G is not available to the Company in a scenario where the Company opts for section 115BAA and pay corporate tax @ 22% plus applicable surcharge and cess.

2. Possible tax benefits available to shareholders

A. Benefits available to resident shareholders

a) Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under section 80M of the Act would be available on fulfilling the conditions (as discussed above). Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not, surcharge would be restricted to 15%, irrespective of the amount of dividend.

b) Section 112A of the Act provides for a tax rate of 10% (plus applicable surcharge and cess) on long-term capital gains arising from the transfer of equity shares or units of an equity-oriented fund or units of a business trust, if Security Transaction Tax ('STT') has been paid on both acquisition and transfer of such shares / units and subject to fulfilment of other prescribed conditions (including Notification No. 60/2018/F.No.370142/9/2017-TPL dated 1 October 2018).

   It is worthwhile to note that tax shall be levied where such capital gains exceed INR 100,000. Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not, maximum rate of surcharge on tax payable is capped at 15%.

c) As per the provisions of section 111A of the Act, short-term capital gains arising from transfer of equity shares in the Company through a recognized stock exchange and subject to STT shall be taxable at a rate of 15%. It maybe pertinent to note that in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not, surcharge maximum rate of surcharge on tax payable is capped at 15%.

d) As per section 10(23D), income earned / accrued / received by shareholders that are Mutual Funds registered under the Securities and Exchange Board of India Act, 1992, or a Mutual Fund set up by a public sector bank or a public financial institution, or a Mutual Fund authorised by the Reserve Bank of India and as may be notified by the Central Government would be exempt from income-tax.

B. Benefits available to non-resident shareholders

a) As per section 115AD read with section 112A of the Act, long-term capital gains arising, to a non-resident specified fund or a non-resident Foreign Institutional Investor, from transfer of a listed equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 10% (without indexation) of such capital gains under the Act.

   It is worthwhile to note that tax shall be levied where such capital gains exceed INR 100,000. Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not, maximum rate of surcharge on tax payable is capped at 15%.

b) As per section 115AD read with section 111A of the Act, short term capital gains arising, to a non-resident specified fund or a non-resident a Foreign Institutional Investor, from transfer of a listed equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 15% under the Act. It maybe pertinent to note that in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not, maximum rate of surcharge on tax payable is capped at 15%.

c) As per section 115E of the Act, long-term capital gains arising to a non-resident Indian from transfer or sale of shares in an Indian company which the assessee has acquired or purchased with, or subscribed to in, convertible foreign exchange shall be taxed at the rate of 10% under the Act.

d) In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

Notes:

1. The above statement of Direct Tax Benefits sets out the possible direct tax benefits available to the Company its shareholders under the current tax laws presently in force in India.
2. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.
3. This statement does not discuss any tax consequences in the country outside India of an investment in the Shares. The subscribers of the Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.
4. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant Tax Laws. Hence, the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business/ commercial imperatives a shareholder faces, may or may not choose to fulfil. The overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice.
5. The above statement covers only above-mentioned tax laws benefits and does not cover any indirect tax law benefits or benefit under any other law.
6. The views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.

STATEMENT OF POSSIBLE TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors
Gati Express & Supply Chain Private Limited
4th floor, A Wing, Allcargo House, CST Road, Kalina,
Santacruz (East), Mumbai City, Maharashtra- 400098

Dear Sir/Madam,

Statement of Possible Tax Benefits available to Gati Express & Supply Chain Private Limited and its shareholders under the Indian tax laws

1. We hereby confirm that the enclosed Annexure, prepared by Gati Express & Supply Chain Private Limited ('the Company'), provides the possible tax benefits available to the Company and to the shareholders of the Company (the 'Shareholders') under the Income-tax Act, 1961 ('the Act') as amended by the Finance Act 2023, i.e. applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and/ or its Shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company and / or its shareholders may or may not choose to fulfil.
2. The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing Direct Tax Laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offering by the Company in a Qualified Institutions Placement in accordance with the provisions of Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "Offering"). We are neither suggesting nor advising the investors to invest in the Offering relying on this statement.
3. We do not express any opinion or provide any assurance as to whether:
   i. the Company or the Shareholders will continue to obtain these possible tax benefits in future;
   ii. the conditions prescribed for availing the possible tax benefits have been / would be met with; and
   iii. the revenue authorities/courts will concur with the views expressed herein.
4. We assume no obligation to update the Statement on any events subsequent to this date, which may have a material effect on the discussion herein.
5. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.
6. This Statement is issued solely for inclusion in the Preliminary Placement Document (PPD) and the Placement Document (PD) in connection with the Offering, to be filed by the Company with the National Stock Exchange of India Limited and BSE Limited, and is not to be used, referred to or distributed for any other purpose.

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

____
Aniket Sohani
Partner
Membership Number: 117142

UDIN: 24117142BKDIAF3643
Place of Signature: Mumbai
Date: June 24, 2024

THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO GATI EXPRESS & SUPPLY CHAIN PRIVATE LIMITED ('GESCPL' OR 'THE MATERIAL SUBSIDIARY') AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

The information provided below sets out the possible tax benefits available to GESCPL and its shareholders under the Income-tax Act, 1961 ('the Act') as amended by Finance Act, 2023 i.e., applicable for the Financial Year 2023-24 relevant to Assessment Year 2024-25. Please note that the same is not a detailed analysis or listing of all potential tax benefits, under the Act (presently in force in India). Further, please note that these Possible Tax Benefits may be dependent on the Company and its shareholders fulfilling the conditions prescribed under the Tax Laws. Hence, the ability to derive the tax benefits may be dependent upon fulfilling such conditions, which, based on business/commercial imperatives. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice.

1. Possible Direct tax benefits available to GESCPL

1.1. Lower Corporate tax rate under Section 115BAA of the Act

Section 115BAA was inserted in the Act by the Taxation Laws (Amendment) Act, 2019 ('the Amendment Act, 2019') w.e.f. April 1, 2020 (Assessment Year 2020-21). Section 115BAA grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 22% (plus applicable surcharge and education cess).

Section 115BAA of the Act further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax (MAT) on their 'book profit' under section 115JB of the Act. However, such a company will no longer be eligible to avail certain specified exemptions / incentives under the Act and will also need to comply with certain other conditions specified in section 115BAA of the Act.

If a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it was entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

The Company has opted to apply section 115BAA of the Act from Assessment Year 2020-21.

1.2. Deduction in respect of inter-corporate dividends under section 80M of the Act

Pursuant to the amendment made by the Finance Act, 2020, dividend received by a shareholder on or after 1 April 2020 is liable to tax in the hands of the shareholder. The Company is required to deduct tax at source ('TDS') at applicable rate specified under the Act read with applicable Double Taxation Avoidance Agreement (if any).

With respect to a resident corporate shareholder, a new section 80M has been inserted in the Act to remove the cascading effect of taxes on inter-corporate dividends from financial year 2020-21 and onwards.

The section provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust which does not exceed the amount of dividend distributed by it on or before the due date. The 'due date' means the date one month prior to the due date for furnishing the return of income under sub-section (1) of section 139 of the Act.

However, it may be pertinent to note that deductions under section 80M cannot be in excess of the Gross Total Income of the Company.

1.3. Deduction in respect of employment of new employees under section 80JJAA of the Act

As per the provisions of section 80JJAA of the Act, a company subject to tax audit under section 44AB of the Act and whose gross total income includes any profit and gains derived from business shall be entitled to claim a deduction of an amount equal to thirty percent of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

Deduction is available in respect of cost incurred on any employee whole total emoluments are less than or equal to INR 25,000 per month and the where the minimum number of days of employment in a financial year is 240 days.

However, it may be pertinent to note that deductions under section 80JJAA cannot be in excess of the Gross Total Income of the Company.

2. Possible tax benefits available to shareholders

A. Benefits available to resident shareholders

a) Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under section 80M of the Act would be available on fulfilling the conditions (as discussed above). Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not, surcharge would be restricted to 15%, irrespective of the amount of dividend.

b) As per section 112 of the Act, long term capital gains arising from the transfer of unlisted securities is taxable at the rate of 20% (plus applicable surcharge and cess). Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not, surcharge maximum rate of surcharge on tax payable is capped at 15%.

c) Short term capital gains on unlisted shares arising out of transfer of unlisted securities is taxable at applicable income tax slab rates.

B. Benefits available to non-resident shareholders

a) As per section 115E of the Act, long-term capital gains arising to a non-resident Indian from transfer or sale of shares in an Indian company which the assessee has acquired or purchased with, or subscribed to in, convertible foreign exchange shall be taxed at the rate of 10% under the Act.

b) Short term capital gains on unlisted shares arising out of transfer of unlisted securities is taxable at applicable income tax slab rates.

c) In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

Notes:

1. The above statement of Direct Tax Benefits sets out the possible direct tax benefits available to GESCPL and its shareholders under the current tax laws presently in force in India.
2. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.
3. This statement does not discuss any tax consequences in the country outside India of an investment in the Shares. The subscribers of the Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.
4. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant Tax Laws. Hence, the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business/ commercial imperatives a shareholder faces, may or may not choose to fulfil. The overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice.
5. The above statement covers only above-mentioned tax laws benefits and does not cover any indirect tax law benefits or benefit under any other law.
6. The views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS UNDER INDIRECT TAXES

To,

The Board of Directors
Allcargo Gati Limited
(*formerly known as Gati Limited*)
4th Floor, B Wing, Allcargo House, CST Road,
Kalina, Santacruz (East), Mumbai – 400 098
("Company")

Nuvama Wealth Management Limited
(*formerly known as Edelweiss Securities Limited*)
801 - 804, Wing A, Building No 3, Inspire BKC,
G Block, Bandra Kurla Complex, Bandra East,
Mumbai 400 051
Maharashtra, India

Equirus Capital Private Limited
12th Floor, C Wing, Marathon Futurex N M Joshi Marg,
Lower Parel
Mumbai 400 013
Maharashtra, India

(Nuvama Wealth Management Limited and Equirus Capital Private Limited are individually referred to as **"Book Running Lead Manager"** or **"BRLM"** and collectively referred to as the **"Book Running Lead Managers"** or **"BRLMs")**

Dear Madam(s) / Sir(s),

Sub: Qualified institutions placement of equity shares of face value of ₹ 2 each ("Equity Shares") (such placement, the "Issue" or "QIP") by Allcargo Gati Limited (*formerly known as Gati Limited*) (the "Company") under Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") and Section 42 and 62 (1) (c) of the Companies Act, 2013, as amended, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

1. We, M/s MAKK & Co (Formerly known as M/s. R. Jaitlia & Co)., Chartered Accountants, (Firm Registration Number 117246W), hereby confirm that the enclosed **Annexure A** states the possible tax benefits available to the Company, Gati Express & Supply Chain Private Limited, the material subsidiary of the Company ("**Material Subsidiary**") and to its shareholders (the "**Statement**"), under indirect taxes (the "**Tax Laws**") presently in force in India. These possible special tax benefits are dependent on the Company, its Material Subsidiary and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company, its Material Subsidiary and its shareholders to derive these possible tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company, its Material Subsidiary and its shareholders may or may not choose to fulfil such conditions.

2. The benefits discussed in the enclosed **Annexure A** are not exhaustive and cover the possible special tax benefits available to the Company, its Material Subsidiary and its shareholders and do not cover any general tax benefits available to them. The Statement is only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to

consult his or her or its own tax consultant with respect to the specific tax implications arising out of their participation in the proposed Issue, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither do we suggest nor do we advise the investors to invest money based on this Statement.

3. The Management is responsible for ensuring that the Company complies with the requirements of the applicable laws and shall be responsible for providing us the required information/documents as may be required by us for certifying the requirement as per paragraph above.

4. We do not express any opinion or provide any assurance as to whether:
   i) the Company, its Material Subsidiary and its shareholders will continue to obtain these possible special tax benefits in future; or

   ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with, or

   iii) the revenue authorities will concur with the views expressed herein.

5. The contents of the enclosed **Annexure I** are based on the information, explanation and representations obtained from the Company, and on the basis of our understanding of the business activities and operations of the Company.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. We confirm that the information in this certificate is true, accurate, complete and not misleading and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

8. Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the preliminary placement document and placement document of the Company prepared in connection with the Issue to be filed with the stock exchanges on which the Equity Shares of the Company are listed (the "**Stock Exchanges**") and any other authority (together the "**Placement Documents**").

9. We consent to the inclusion of the above information in the Placement Documents to be filed by the Company with the Stock Exchanges and any other authority and such other documents as may be prepared in connection with the Issue.

10. The aforesaid information herein has been provided at the request of the Company and may be relied upon by the BRLMs and legal counsel appointed pursuant to the Issue and may be submitted to the Stock Exchanges and any other regulatory or statutory authority in respect of the Issue and/or for the purpose of conducting due diligence and maintaining records by the BRLMs in connection with the Issue and for any defense, the BRLMs may advance in any claim or proceeding or any other matter in connection with the contents of the Placement Documents.

11. We undertake to immediately inform the BRLMs and legal counsel in case of any changes to the above until the date when the Equity Shares pursuant to the Issue commence trading on the Stock Exchanges. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate.

For **M/s MAKK & Co (Formerly known as M/s. R. Jaitlia & Co).**
Chartered Accountants
Firm Registration Number: **117246W**
Peer Review Certificate Number: **013661**

Mukesh Maheshwari
Partner
Membership Number: 049818
Place: Kuala Lumpur
Date: June 24, 2024
UDIN: 24049818BKBNSA9082

CC:

Legal Counsel to the Book Running Lead Managers

Trilegal
DLF Cyber Park, Tower C,
1st Floor, Phase II, Udyog Vihar,
Sector 20, Gurugram – 122008
Haryana, India

Legal Counsel to the Company

J. Sagar Associates
One Lodha Place, 27th Floor,
Senapati Bapat Marg,
Lower Parel,
Mumbai -400 013
Maharashtra, India

Legal Counsel to the Book Running Lead Managers as to International Law

Duane Morris & Selvam LLP
16 Collyer Quay, #17-00
Singapore 049318

ANNEXURE A

TAX BENEFITS AVAILABLE TO THE COMPANY UNDER INDIRECT TAXES

Benefits available to the Company, its Material Subsidiary and the Shareholders of the Company under the Central Goods and Services Tax Act, 2017 ("CGST Act"), Integrated Goods and Services Tax Act, 2017 ("IGST Act"), respective State Goods and Services Tax Act, 2017 ("SGST Act"), Customs Act, 1962 and Customs Tariff Act, 1975 etc as notified by the Central Government w.e.f. April 1, 2023 (Collectively referred to as "Indirect Tax Laws") are as under:

Special Tax Benefits available to the Company & its Material Subsidiary

There are no special tax benefits as such available to the Company & its material subsidiary under Indirect Tax Laws.

Special indirect tax benefits available to one of the Shareholders (Allcargo Logistics Ltd, "ACL")

No special benefits are available to ACL by virtue of its investment in the Company under Indirect Tax Laws.

Notes:

1. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax arising out of their participation in the Issue.

2. Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is provided that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For and on behalf of Allcargo Gati Limited
(Formerly known as Gati Limited)

Anish T Mathew
Chief Financial Officer

LEGAL PROCEEDINGS

We are involved in various legal proceedings from time to time, including those which arise in the ordinary course of business. These legal proceedings are primarily in the nature of, amongst others, tax disputes, criminal proceedings, regulatory actions and civil proceedings, arbitration proceedings, commercial proceedings, which are pending before various adjudicating forums within India.

As on the date of this Placement Document, except as disclosed below, there is no outstanding legal proceeding which has been considered material in accordance with our Company's policy in relation to disclosure of material events framed in accordance with Regulation 30 of the SEBI Listing Regulations, as approved by the Board in its meeting held on August 4, 2023.

*Additionally, solely for the purpose of the Issue, our Company has disclosed in this section, to the extent applicable (i) all outstanding criminal proceedings involving our Company, our Subsidiaries, our Directors and our Promoters; (ii) all outstanding actions (including show-cause notices) by any statutory or regulatory authority against our Company, our Subsidiaries, our Directors and our Promoters; (iii) outstanding civil proceedings involving our Company and its Subsidiaries, where the amount involved in such proceeding exceeds ₹ 0.35 crores i.e., 5% of the average of the absolute value of profit after tax, as per our Audited Consolidated Financial Statements for the last three years ("**Materiality Threshold**"). The Materiality Threshold was approved by our Board pursuant to its resolution dated August 4, 2023; (iv) consolidated disclosure of the direct and indirect tax matters involving our Company and our Subsidiaries; (v) any other outstanding litigation involving our Company and our Subsidiaries wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could materially and adversely affect business, prospects, reputation, operations or financial position of our Company or its Subsidiaries and (vi) any other outstanding litigation involving our Promoters and our Directors wherein an adverse outcome could materially and adversely affect business, prospects, reputation, operations or financial position of our Company and our Subsidiaries, on a consolidated basis.*

Further, except as disclosed below and in the other sections of this Placement Document, as on the date of this Placement Document, (i) there is no litigation or legal action pending or taken by any ministry or department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of circulation of this Placement Document and no directions have been issued by any ministry or department of the Government or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of circulation of this Placement Document involving our Company or our Subsidiaries, nor are there any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Placement Document involving our Company or Subsidiaries; (iii) there are no defaults in repayment of (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interests thereon and (d) any loan obtained from any bank or financial institution and interest thereon by our Company, as of the date of this Placement Document; (iv) there are no material frauds committed against us in the last three years; (v) there are no defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder; (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; or (vii) Our statutory auditors in the past have identified emphasis of matter in their audit report. There can be no assurance that there will be no qualification, adverse remarks or emphasis of matter in our future audit report, immediately preceding the year of circulation of this Placement Document.

*We are in the process of undergoing a Composite Scheme of Arrangement for restructuring of businesses, under Sections 230 and 232 and other applicable provisions of the Companies Act pursuant to which (i) Allcargo Logistics Limited ("**ALL**") will demerge its international supply chain business and support functions into Allcargo ECU Limited, (ii) Gati Express & Supply Chain Private Limited ("**GESCPL**") and Allcargo Supply Chain Private Limited ("**ASCPL**") will amalgamate into our Company and subsequently, our Company will amalgamate into ALL.*

For the purpose of disclosure in this section of the Placement Document, the following legal proceedings have been considered material and have been disclosed in connection with the Amalgamating Group: (i) all outstanding criminal litigation involving (which includes cases filed by and against GESCPL and ASCPL ("Criminal Proceedings - Amalgamating Group"); (ii) all outstanding civil litigation involving (which includes cases filed by and against) any of GESCPL and ASCPL, where the amount involved exceeds ₹ 0.35 crores i.e., *5% of the average of the absolute value of profit after tax, as per the Audited Consolidated Financial Statements for the last three years of our Company. Litigation disclosures pertaining to Allcargo Logistics Limited, a listed entity, have been disclosed basis the existing materiality policy of Allcargo Logistics Limited, wherein: (i) all outstanding criminal litigation involving (which includes cases filed by and against Allcargo Logistics Limited ("Criminal Proceedings - Amalgamating Group"); (ii) all outstanding civil litigation involving (which includes cases filed by and against ALL, where the amount involved exceeds ₹ 29.30 crores i.e., 5% of the average of the absolute value of profit after tax, based on the Audited Consolidated Financial Statements for the last three years of Allcargo Logistics Limited; (iii) any outstanding litigation proceedings involving any of the Amalgamating Group, where no amount is involved is not quantifiable but, where an adverse outcome would, materially and adversely affect the business, operations, prospects, reputation or financial position of Amalgamating Group; (iv) all outstanding litigation involving the entities forming part of the Amalgamating Group, that may have an adverse impact on the Composite Scheme of Arrangement; (v) all outstanding actions (including show-cause notices) initiated by any regulatory and/or statutory authorities such as SEBI, the Real Estate Regulatory Authority (other than any consumer cases) or such similar authorities or Stock Exchanges, involving the Amalgamating Group; (vi) a consolidated disclosure of all outstanding tax proceedings (including show cause notices) involving the Amalgamating Group; and (vii) any other litigation, which may be considered material by the Amalgamating Group for the purposes of disclosure in this section of this Placement Document. Further, a consolidated disclosure of all outstanding civil matters where the nature of the litigation being with respect to title or ownership of land/property of the Amalgamating Group have also been included.*

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, our Subsidiaries, our Directors and/or our Promoters from third parties (excluding statutory / regulatory / governmental authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of our Company, our Subsidiaries, our Directors and/or our Promoters, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

I. *Litigation involving our Company*

Criminal proceedings against our Company

1. Pradeep Kumar Agarwal (**"Complainant"**) is a proprietor at Chowk Bazar Mathura, dealing in silver ornaments. On May 19, 2004, the Complainant hired the services of the Company (**"Accused No.1"**) to deliver a parcel of consignment of silver ornaments worth ₹ 1,45,902 from Mathura to Chennai and also paid ₹ 1,825 as transportation charges. The Complainant was assured that the parcel would be delivered by May 22, 2004. Subsequently, delivery was seen to be delayed, and no response was received by the Complaint upon him reaching out to Accused No. 1 and its Director MK Agarwal, the then MD of our Company and even Subodh Sarkar, who was then the in-charge at the facility. The Complaint then, sent a legal notice to the Company to which no response was received. Thus, the Complainant filed the matter at the Court of Judicial Magistrate, Mathura, and was assigned case number 1433/IX/Year of 2004, proposing to charge the Accused No. 1 and MK Agrawal with section 407 of the Indian Penal Code, 1860 which deals with criminal breach of trust by a Company. The matter is presently pending.

2. Mayank Jyoti, an official at the office of Assistant Regional Transport Officer (**"ARTO (E)"**) 1, Varani, on August 16, 2011, while checking vehicles on the route of NH-2 near Katwarupur, came across a container truck, allegedly belonging to our Company. The vehicle was found to be overloaded beyond the prescribed limit, and was therefore, seized and handed over to Jansa police station, Varanasi. This was done pursuant to a letter dated August 4, 2011, issued by the Transport Commissioner directing stopping the operation of overloading vehicles. The Transport Commissioner also ordered to lodge cases against overloading truck drivers/ vehicle owners and loading agencies under section 3(2) of the Prevention of Damage to Public Property Act, 1984. The matter is still pending.

3. An FIR bearing No. 408/13 under Section 279, 304A, 427 of Indian Penal Code was registered by Khalilabad Police Station against 'unknown' driver allegedly employed by our Company ("**Accused**") for a vehicular accident. The Chief Judicial Magistrate Sant Kabir Nagar (Khalilabad) at Uttar Pradesh took cognizance of the same and the Accused was granted bail by an order dated August 7, 2023. The matter is currently pending.

4. On September 19, 2018, a house hold shipment was booked in Lucknow with our Company and the goods were dispatched. During transit, in the state of Jammu, the vehicle was detained by the police and the

shipment was found to be allegedly loaded with commercial quantity of codeine phosphate syrup (a type of banned cough syrup). The vehicle containing the shipment was released by a court order but the driver, named as Kashmir Singh continued to be detained by the local police and has been in judicial custody since. He has been charged under Sections 8, 20 and 21 of the Narcotic Drugs and Psychotropic Substances Act, 1985. Multiple bail applications for the driver filed were rejected by reason of the fact that the investigation was still in process. Currently the driver is in parole by virtue of the temporary bail application filed and accepted by the court due to family emergency.

5. On August 16, 2011, a container truck belonging to our Company was found to be overloaded during a routine check on NH-2 near Thana Jansa, Varanasi. The vehicle, driven by Sanjeev Kumar, was carrying goods exceeding the prescribed weight limit, as confirmed by a weighbridge receipt. Consequently, the truck was seized and handed over to Jansa police station. An FIR was lodged under Section 3(2) of the Prevention of Damage to Public Property Act, 1984, against the driver, the vehicle owner, and the loading agency, as overloading damages public roads.

6. On July 7, 2008, Hemant Kumar ("**Complainant**") filed a complaint in police station Mau, Madhya Pradesh against Gati Limited and two others ("**Respondents**"). The Complainant stated that he booked a consignment from Mau, Madhya Pradesh to Kanpur, Uttar Pradesh instructing the officials of Gati Limited to deliver the consignment only after receiving the payment through a bank demand draft, which the officials of Gati Limited allegedly forged. It was further alleged that the concerned bank denied payment of the demand draft to the Complainant because of it being forged. The Complainant lodged a civil suit number 186/09 in the court of Judge, Senior Division, Mau, praying for the amount of the demand draft along with 30% interest on it per annum. The said civil suit was dismissed by Judge, Senior Division, Mau by an order dated March 17, 2011. Additionally the aforesaid police complaint was taken up as a criminal case bearing number 2825/2008 in the court of Chief Judicial Magistrate, Mau under section 420 of the Indian Penal Code, 1860. Subsequently, the Respondents had filed a quashing application under section 482 of the Code of Criminal Procedure, 1973 praying for quashing of the criminal complaint number 2825/2008. The case is presently pending.

Criminal proceedings by our Company

1. Our Company (**"Complainant"**) filed a complaint against Om Sai Corporation (**"Accused"**) through a First Information Report ("**FIR**") bearing no. 1379/11 dated October 19, 2011 charging the Accused with sections 420, 406 read with section 34, of the Indian Penal Code, 1860 with Nizampura Police Station, Maharashtra. The Accused in this case had assigned the task of delivery of certain electronic goods from New Delhi to an Air Force Station at Kolshet, Thane, Maharashtra. Payment for the consignment was agreed to be made by way of a demand draft upon delivery of the goods. The Complainant collected the goods at New Delhi where the Complainant's truck picked up the goods on April 4, 2011, and delivered them at Thane on May 5, 2011. However, upon delivery, the Accused allegedly did not make any payments and the Complainant alleged that the Accused fraudulently held the goods. Pursuant to the FIR, a charge sheet bearing number 379/11 was filed against the Accused. The matter is presently pending.

2. Our Company, through its legal executive officer, registered an FIR dated December 22, 2010, under sections 419, 420, 467 and 486 of the Indian Penal Code, 1860 against the branch manager, State Bank of India at Jaipur and Bikaner, Rajasthan and others. Our Company has in the FIR registered, alleged that the branch manager of State Bank of India at Jaipur and Bikaner, director of State Bank of India at Jaipur and Bikaner, viz Virendra Tiwari, director of State Bank of India at Jaipur and Bikaner, viz Arun Tiwari, in collusion with each other (collectively, the **"Accused"**), entered into a criminal conspiracy. They allegedly tampered with and forged a cheque bearing number 806468 amounting to ₹ 0.01 crore and changed the date of the cheque with the aim of causing damage to the Company and earning profits for themselves. The matter is still pending.

3. Our Company lodged an FIR bearing number 411/2007 dated September 9, 20007 to be registered against Manoj Jaiswal and two others (**"Accused"**) under sections 419, 420, 467, 468 and 471 of the Indian Penal Code, 1860. The case was registered since the Accused received a delivery of bundles of clothes in our Company's warehouse at the Kanpur branch, Uttar Pradesh by fraudulent means by using fake and forged banks' drafts and fake letter heads and stamp papers. The amount involved in the case is ₹ 73,000.The matter is still pending.

4. Our Company (the "**Complainant**") had lodged an FIR bearing number 187/11 dated November 19, 2011, under section 406 of the Indian Penal Code, 1860 against Ghanshyam Mishra and a few others (**"Accused"**) at Sikandra police station, Uttar Pradesh, for theft and criminal breach of trust for an amount of ₹ 0.20 crores. The Complainant alleges that the Accused stole 5 pieces of silver products from the goods loaded in a truck.

The matter is presently pending.

5. Our Company (the "**Complainant**") had filed an FIR bearing number 91/2011 dated September 2, 2011, under sections 419 and 420 of the Indian Penal Code, 1860 against Bimani Imran Ilyas at Dashaswamedha police station, Varanasi, Uttar Pradesh, for using forged demand draft for payment of freight which was due to be paid to the Complainant for an amount of ₹ 0.03 crores The matter is presently pending.

6. Our Company (the "**Complainant**") had filed an FIR bearing number 231/2000 dated June 6, 2000, under section 406 of the Indian Penal Code, 1860 against Ravi Agarwal at Sigra police station, Varanasi, Uttar Pradesh, for theft of goods which were to be delivered to a customer, for an amount of ₹ 0.02 crores. The matter is presently pending.

7. Our Company (the "**Complainant**") had filed an FIR dated June 18, 2008 under sections 406, 409 and 506 of the Indian Penal Code, 1860 against Amerandra Nath Dubey and another (the "**Accused**") at Kidwai Nagar police station, Kanpur, Uttar Pradesh, for criminal breach of trust, for an amount of ₹ 0.01 crores. It was alleged that the Accused did not deposit the amount of ₹ 1,67,000 in cash or cheque in the office after delivering for our Company and further, threatened to kill the concerned branch manager of our Company. The matter is presently pending.

8. Our Company (the "**Complainant**") has filed a complaint under section 156(3) read with sections 190(1)(a) and 200 of the Code of Criminal Procedure, 1973, bearing case number 813 of 2019 and FIR number 306/2015 against Gati Packers and Movers and others (the "**Accused**"), for committing criminal offences of falsifying and falsely applying trademarks for selling goods/providing services punishable under sections 103 and 104 of the Trademarks Act, 1999, read with section 63 of the Copyrights Act, 1957 along with offences of cheating, cheating by impersonation, defamation, which are punishable under sections 417, 419, 420 and 500, read with section 120B dealing with the provisions of criminal breach of trust, of the Indian Penal Code, 1860. The Accused was running business activities relating to packing and moving/relocation, courier, logistics and other allied services carried out through their web portal under the name and style of "GATI Packers and Movers", with ocular and phonetic similarities with the registered trademarks/trade name of the Complainant, with tainted and *mala fide* intentions. The matter is presently pending.

9. Our Company filed a first information report dated January 4, 2016 bearing number 459/2015 against Virendra Kumawat under sections 420, 406, 435, 467, 438 and 471 of the Indian Penal Code, 1860. alleging criminal breach of trust and forgery. Virendra Kumawat filed a bail application dated January 1, 2019 before the Court of Metropolitan Magistrate Jaipur Mahanagar, Jaipur, which was rejected by way of an order dated January 4, 2016. The matter is currently pending.

10. Our Company (the "**Complainant**") has filed a complaint under section 200 of the Code of Criminal Procedure, 1973, bearing case number 2927 of 2004 before the Court of First Additional Chief Judicial Magistrate, Lucknow, Uttar Pradesh, against Gati Tour & Travel Agency (the "**Accused**"), for infringement of the trademarks of the Complainant and passing off services in the name and style of "GATI", allegedly causing irreparable loss of name, repute and business to the Complainant. The matter is presently pending.

11. A lease agreement was executed between Railway Authority, South Eastern Railway and our Company. A fire incident occurred on March 27, 2012, at Sankrail Railway Terminal Yard where certain dockets and listed consignments of our Company were stored. The fire caused damage of loaded articles and train rake, where some unknown persons allegedly set the parcel/goods on fire as well as some items were also stolen before our Company's employees could reach. They found that the rake seal was broken and the fire department was working to stop the fire. The loss was estimated to be around the value of ₹ 0.84 crores. The case was filed by way of a complaint by our Company's employee, Sailendra Deo Tiwari, against unknown miscreants. registered vide FIR No. 07/2012, GRPGR No. 78/2012 dated 20.04.2012 in Shalimar Police Station, District Kharagpur GRP where the matter was listed before the Ld. Chief Judicial Magistrate at Howrah. The Investigating Officer (S.I. Tarun Kr Samanta of Shalimar GRPS) have finally placed the Charge Sheet and/or Final Report u/s 173 of IPC. The Complainant Mr. Sailendra Deo Tiwari received a notice forwarded through IC Titagarh PS through CP Barrackpore through order sheet dated January 12, 2021, from the court of the Chief Judicial Magistrate at Howrah summoning the complainant to appear before CJM, Howrah on June 25, 2021 at 11 am for the provision of an opportunity to be heard at time of consideration of the above mentioned Final Report. The matter is currently pending at appearance stage.

12. Our Company ("**Complainant**") lodged a police complaint dated April 21, 2017 at the Dwarka, Sector 23, Police Station, Delhi under Section 156(3) r/w 190(1)(a) & 200 of the Criminal Procedure Code, 1973, against Prakash (Proprietor) M/s. Gati Speed Links Packers ("Accused")for having committed criminal offences of falsifying and falsely applying trademarks for selling goods and providing services, punishable under Sections

103 and 104 of the Trademarks Act, 1999, Section 51 r/w/ 63 of the Copyrights Act, 1957 along with offences of cheating, cheating by personation, defamation, etc. punishable under Sections 417, 419, 420 and 500 r/w 120 B of the Indian Penal Code, 1860. The complaint was subsequently converted into a case bearing criminal case no. 433846/2016 pending before the learned Chief Metropolitan Magistrate, Dwarka District Court at New Delhi for filing of chargesheet and framing of charges. The matter was last heard on April 23, 2024 and remains pending before the aforementioned authority.

13. Our Company ("**Complainan**t") filed a claim for the recovery of an outstanding amount of ₹ 2.75 crores against Vel Logistics ("**Respondents**") by way of an arbitration petition bearing No. 4 of 2017 before a sole arbitrator. The Complainant provided shipping services for the Respondents' coal consignment from Indonesia to Tuticorin, Tamil Nadu in June 2017, under a contract dated June 15, 2017. Despite agreements to pay due amount within 30 days and furnish bank guarantees worth ₹ 10.00 crores, the Respondents defaulted on payments for two invoices amounting to ₹ 2.50 crores. Additionally, the bank guarantees issued by the Respondents were discovered to be forged, leading to further legal actions, including a criminal complaint and a police report. The said police complaint bearing FIR No. 364 of 2017 was filed on December 3, 2017 against the proprietor, Mr. T. Nagarajan Piramiajee as he had furnished fabricated and forged bank guarantees, allegedly with a mala fide intention to defraud our Company, thereby, committing offences of cheating, forgery, fabrication of false documents etc. u/s 420,462,467 and 468 of the Indian Penal Code, 1860. The case bearing CC No. 520/2019 is pending before the Judicial Magistrate of First Class –III, Tuticorin. In furtherance to the same Mr. Nagarajan Piramiajee applied for an anticipatory bail before various appellate courts including Sessions Court, High Court of Madras, Madurai Bench and Supreme Court of India. Even after resorting to filing series of cases as mentioned above, all the forums rejected his applications for anticipatory bail. However, irrespective of all the orders issued by higher judiciary to appear before the trial court and seek bail, Mr. Nagarajan Piramiajee has continued to remain absent in the proceedings of this case. Concurrently, observing the callous response of Tuticorin Police, the Complainant approached the Madras High Court, Madurai Bench and then the Supreme Court of India, with an application to change the investigating authority in the said matter and transfer the case to CBI by way of a Special Leave to Appeal ("**SLP**") (Criminal) No. 10865/2019, which is pending before Supreme Court. Currently CC 520/2019 (forgery case before the Judicial Magistrate of First Class –III, Tuticorin) has been stayed by the Supreme Court as our Company's prayer for changing the investigating agency from local police to CBI is pending with Supreme Court.

14. Pursuant to two memorandums of understanding each dated December 5, 2019, and subsequent addendums ("**MOUs**"), our Company ("**Complainant**") had advanced various amounts to M/s. Jaldi Traders and Commerce House Private Limited and TCI HI-ways Private Limited in which Mahendra Kumar Agarwal ("**Accused**") is an indirect shareholder. Further, as per the terms of the MOUs the Accused executed personal guarantee to repay the amount involved as per the time set out in the said MOUs and also issued 25 postdated cheques for sum of ₹ 22.88 crores approximately ("**Cheque**"). As the Accused failed to honour time schedule, the Complainant intimated the Accused and presented the Cheques for a total sum of ₹18.49 crore which were dishonored. Pursuant to which, the Complainant has filed a complaint under section 200 of the CrPC alleging offences under section 406 and 420 of IPC along with section 156(3) of CrPC. Further, to this the Complainant also registered an FIR bearing number 40 of 2023 ("**FIR**") before Madhapur Police Station. Consequentially, the Accused file a criminal petition under section 482 of the CrPC before the High Court for the State of Telangana ("**High Court**") challenging the criminal nature of the proceedings and praying for quashing of the FIR. The High Court pursuant to its show cause notice before admission dated February 15, 2023, ordered that, no coercive action to be taken against the Accused, until further orders. Complainant is in the process of filing a withdrawal application in relation to this matter.

Matters under Negotiable Instruments Act

In the ordinary course of our business, there are currently 32 outstanding matters aggregating to an amount of ₹ 19.59 crores filed by our Company under section 138 of the Negotiable Instruments Act, 1881. Such proceedings are still pending before the adjudicating forum.

Material Civil Proceedings by our Company

1. Our Company (the "**Plaintiff**") has filed an ordinary suit bearing O.S. No. 1100/2018 against Alok Mishra and others (the "**Defendants**") before the court of the Hon'ble Additional District Judge III, RR court at L.B. Nagar, Hyderabad, Telangana for recovery of an amount aggregating to ₹ 7.06 crores. The Defendant was an employee of our Company and was posted in Bangkok as the country manager for our Company's Thailand office. The Defendant incorporated an entity by the name of Zip Knots Limited in Thailand, with the intention to siphon off/divert the business of the Plaintiff. During 2017 -2018, the management of the Plaintiff conducted an enquiry and a subsequent audit, and found that the Defendant and other employees of the Thailand branch

were not present at the office and upon verification of the records, it was found that the Defendant in collusion with other has been directing the entire business and revenue of the Plaintiff to his own company. Thereafter, the Plaintiff issued a notice dated July 20, 2018, citing the illicit actions of the Defendant during the course of employment, causing wrongful loss to the Plaintiff and misappropriation of the bills and embezzlement of Plaintiff's funds for his personal use. The matter is presently pending at a summon stage, bearing case number OS/000100/2018.

2. Our Company (the "**Petitioner**") has initiated an application in the High Court of Judicature, Andhra Pradesh at Hyderabad, bearing arbitration application number 4/2012 against Leonid Chemicals Private Limited (the "**Respondent**") for appointment of an arbitrator. This initiation of arbitration proceedings is in pursuant to the alleged loss suffered by our Company to the Respondent's alleged non disclosure of flammable and hazardous nature of goods, The Petitioner has claimed an amount aggregating to ₹ 4.90 crores. The Respondent had approached the Petitioner for transportation and delivery of certain consignment. While the consignment was being transported *via* railways at Yeshwantpur yard, Andhra Pradesh, to Howrah, West Bengal, a fire broke out in the train while transit and the consignment of the Respondent was burnt. A case was registered at the local police station, bearing complaint number 54/2010 and a separate case has also been filed by the railway police. The Petitioner on various occasions requested the Respondent to settle the claim amount on mutually agreed terms. The matter is presently pending.

3. Our Company ("**Claimant**") filed a claim for the recovery of an outstanding amount of ₹ 2.75 crores against Vel Logistics ("**Respondents**) by way of an arbitration petition bearing No. 4 of 2017 before a sole arbitrator. The Claimant provided shipping services for the Respondents' coal consignment from Indonesia to Tuticorin, Tamil Nadu in June 2017, under a contract dated June 15, 2017. Despite agreements to pay due amount within 30 days and furnish bank guarantees worth ₹ 10.00 crores, the Respondents defaulted on payments for two invoices amounting to ₹ 2.50 crores. Additionally, the bank guarantees issued by the Respondents were discovered to be forged, leading to further legal actions, including a criminal complaint and a police report. The Claimant has initiated arbitration proceedings under the contract's arbitration clause, seeking the recovery of ₹ 2.75 crores, which includes the principal amount and accrued interest at 2.5% per month from July 25, 2017 onwards. The Claimant has also requested future interest at the same rate until the realization, along with the costs of arbitration proceedings and other incidental expenses. An arbitral award was passed in favour of the Claimant who subsequently filed an execution petition bearing number 61 of 2020 before the Learned Judge, City Civil Court at Tuticorin, Tamil Nadu. The matter is listed to be heard next on June 28, 2024.

4. Our Company, (the "**Plaintiff**"), filed a plaint against the SMPC Industries (the "**Defendant**"), a Malaysian company involved in manufacturing and exporting cold rolled steel sheets, bearing suit no. 24/2021 before the learned Court of Senior Division, Civil Judge at Tamluk. Subsequently after the advent of Commercial Courts Act the same is pending for adjudication before the Commercial Court at Alipore, South 24 Parganas, West Bengal. The Plaintiff detailed a series of agreements and events involving the shipment of cold rolled steel sheets from Haldia Port to Port Klang, Malaysia, during which the vessel, M.V. GATI 2, encountered severe weather, leading to damage and the vessel's return to Haldia. The Plaintiff claimed that the Defendant unlawfully detained the vessel and failed to take delivery of the cargo, resulting in significant financial losses. The Malaysian court proceedings, including the wrongful arrest of the vessel and the subsequent arbitration, have been highlighted, with the Plaintiff asserting that the Defendant suppressed the existence of an arbitration agreement and caused undue harm. The Plaintiff has claimed that the Defendant wrongfully arrested the vessel, had no right to refuse delivery or arrest the vessel with another consignee's cargo, and that the consignment was delivered as per the agreement. The Plaintiff has also sought acknowledgment that the vessel encountered unavoidable rough weather, and the Defendant has already received insurance claims. The reliefs sought include a decree for ₹ 0.77 crores (equivalent to US$ 157,887) with 18% annual interest from the date of the vessel's arrest, coverage of legal costs, and other necessary declarations to affirm the Plaintiff's lack of liability under non-binding documents and the Defendant's obligation to adhere to the charter party agreement and bills of landing.

5. A suit bearing O.S. No. 106/2010 was filed before the XII Additional Chief Judge, City Civil Court at Secunderabad against our Company ("**Appellant**") by New India Assurance Company Limited and M/s. Larson and Tourbo Limited ("**Respondents**") for recovery of money for loss suffered by fire at Yeshwantpur Railway Yard, where the consignment was delivered by the Appellant. An order dated August 8, 2017 was passed which held the Appellant liable due to negligence and directed them to pay ₹ 0.83 crores. The Appellant challenged the said order before the High Court of Judicature at Hyderabad by way of C.C.C.A. No. 135/2018 along with an application for interim stay on the aforementioned order. The Hon'ble High Court then granted an interim stay until further orders subject to Appellant depositing ₹ 0.52 crores (50% of the decreed amount) with the Court. The Appellant complied with the same and on July 10, 2018 the interim stay was made absolute and Respondents to withdraw the money deposited.

6. Our Company, (the "**Claimant**") filed an arbitration claim seeking redress for wrongful levy of punitive charges and refunds associated with the non-loading of trains and penalties imposed for excess weight. The contractual obligations required the Claimant to load a minimum of eight parcel vans per month. Due to operational failures, including non-loading on specific dates, Central Railways (the "**Respondent**") imposed freight and demurrage charges totaling ₹0.16 crores for freight and ₹ 75,200 for demurrage. The Claimant contended that the reasons for non-loading, such as holidays and operational issues, were legitimate and claimed refunds for penalties collected by other zonal railways for excess weight without opportunities for re-weighment, as mandated by the Respondent's Circular No. 51/2006 dated December 11, 2006. The Respondent countered that the claims were unfounded, maintaining that all charges were legitimate and in accordance with the contract. The Respondent seeks the dismissal of all claims made by the Claimant, a declaration that the Respondent's actions were justified and in accordance with the contractual terms, an order that the Claimant bear their own costs of the arbitration, and any other relief that the Hon'ble Arbitrator deems fit and proper. The Respondent emphasize adherence to contractual obligations and justifications for the disputed charges, seeking the rejection of the Claimant's claims.

7. Our Company ("**Complainant**") was approached by M/s Wikas Import Exports Private Limited ("**Respondent**") for provision of transportation solution to the Respondent. In pursuance of the same, a contract dated December 1, 2013, was entered between the parties, which was renewed on August 18, 2015. After providing requisite services to the Respondent, the Claimant raised multiple invoices for the services rendered. Allegedly, despite repeated requests and reminders, the Respondent did not bother to pay the outstanding dues. Therefore, the Claimant initiated arbitration proceedings against the Respondent. Pursuant to proceedings before a sole arbitrator at Hyderabad, in Arbitration Case No. 1G/Hyd/2019, an arbitral award was passed in favor of the Claimant on June 11, 2020, wherein the Respondent has been directed to pay ₹ 0.36 crores to Claimant. However, the Respondent failed to comply with the award. Therefore, the Claimant filed an execution petition bearing no. EP/3694/2022, before Hon'ble District Judge at Pune (Maharashtra) on 29-07-2022. The matter is presently pending.

Material Civil Proceedings against our Company

1. Our Company (the "**Claimant**") had initiated arbitration proceedings against The Oriental Insurance Company (the "**Respondent**") before a sole arbitrator at Hyderabad/Visakhapatnam bearing arbitration case no. 1/2012. Our Company had taken a courier liability policy from the Respondent for a maximum limit of ₹ 7.50 crores per year, paying proper premiums for the same. Under the policy, the Respondent had agreed to pay and indemnify the Claimant for accidental loss or damage to the parcels, documents and goods. During the coverage of the policy, the Claimant suffered a loss amounting to ₹ 0.80 crores while transportation and lodged a proceeding for claim amount. The Respondent cleared a sum of only ₹ 0.11 crores and rejected rest of the claim on frivolous and flimsy grounds. Through an arbitral award dated August 30, 2012, the Respondent was directed to consider and settle the remaining claim amount within 12 months from the date of order by giving reasons. Dissatisfied and aggrieved by this award the Respondent preferred an appeal before the Hon'ble Additional Chief Justice, City Civil Court, Hyderabad bearing case No. O.P. 2341 of 2014, challenging the arbitral award. The matter is presently pending.
2. Rakesh Kumar Singh ("Plaintiff"), a citizen of India residing in Hong Kong, has filed a suit against our Company ("Defendant") bearing Suit No. CS (OS) 3560//2014 before the Hon'ble Delhi High Court. The Plaintiff was initially employed by Gati Limited in India in 2007 and later transferred to Hong Kong as the country manager in 2010. During his tenure in Hong Kong, the Plaintiff allegedly faced harassment from some employees, leading him to resign under pressure in October 2011. The Plaintiff contends that his resignation was immediately accepted, and he was asked to leave within a week without proper notice or settlement of dues. Despite repeated efforts, the Plaintiff claims that he did not receive his outstanding salary, arrears, and compensation for the mental agony caused by the Defendant's actions. The Plaintiff claims that the Defendant's actions amounted to cheating and criminal breach of trust, causing him financial and reputational damage and is an offence under Section 406 and 420 of the Indian Penal Code. Thus, the Plaintiff claims that they reserve the right to initiate proper criminal proceedings against the Defendant, all its directors, for the plight of the Plaintiff. He asserts that the Defendant has wrongfully withheld his dues and harassed him, leading to significant economic and personal hardships. The Plaintiff served a legal notice to the Defendant in February 2014, demanding the payment of ₹ 0.33 crores, which was ignored. The Plaintiff seeks a decree for the recovery of ₹ 0.40 crores, which includes his due salary packages, arrears, and ₹ 0.10 crores as compensation for mental pain and agony caused by the Defendant. The Plaintiff requests pendent-lite and future interest at the rate of 24% per annum on the claimed amount from the date of filing the suit until the actual realization of the entire amount. In response to this, the Defendant filed a counter-claim. Additionally, by way of an interim application bearing I.A No. 8785 of 2024, Plaintiff has sought relief under Order VII

Rule 11(a) and (d) of the Civil Procedure Code, 1908, requesting the court to reject the counter-claim for non-disclosure of a cause of action and being barred by the law of limitation. The Applicant emphasized that the counter-claim should be dismissed for its non-compliance with the procedural requirements specified in Order VI Rule 15 and Order VII Rule 1 of the Civil Procedure Code, 1908. The Applicant asserted that the counter-claim constituted an abuse of the judicial process, being false, frivolous, and vexatious. The Hon'ble Delhi High Court heard both the parties in length and reserved the submissions of the review application to be heard during framing of issues and final arguments and dismissed the application. The matter is presently pending.

3. Our Company (the "**Claimant**") initiated arbitration proceedings before a sole arbitrator, bearing case No. 11/Hyd/2017, against M/s. Anchorage Shipping and others (the "**Respondents**") for recovery of outstanding dues of ₹ 0.61 crores. The Respondents approached us and availed our services by way of a contract agreement dated August 27, 2016. However, upon availing the services, the Respondents failed / refused to make payments to the Claimant Thereafter, arbitration proceedings began on June 3, 2017. However, the statutory period for adjudication had expired and consequently, our Company has filed a petition under section 29A of the Arbitration and Conciliation Act, 1996 against the Respondents before the Hon'ble Chief Judge, City Civil Court at Hyderabad, bearing case No.135/2019, praying for extension of 6 months to be granted for disposal of the arbitration matter. Thereafter, an award dated July 27, 2019 was passed in favour of the Respondents. However, the Respondents have filed an appeal by way of an Arbitration Application (Appeal) bearing No.135/2019 before the Hon'ble Chief Judge, City Civil Court at Hyderabad, challenging the award. The matter is fixed to be heard next on July 16, 2024.

4. Our Company (**"Plaintiff"**) filed a suit against Shanghai DTW Shipping Co. Ltd. (**"Defendant 1"**), Reliance Communication Ltd. (**"Defendant 2"**), and one other party bearing O.S. No. 25 of 2010 before the Ld. Court of XXVII Additional Chief Judge, City Civil Court, Secunderabad. Defendant 1 and Defendant 2 had entered into an agreement for Defendant 1 to provide shipping services to the latter in various locations in India. Parallelly, Defendant 1 had also entered into an agreement with the Plaintiff for providing services at various ports. In this regard, an arrangement was agreed upon where in ocean freight charge was paid by the Plaintiff to Defendant 1 upon collection of goods which was reimbursed by Defendant 2 upon delivery of the consignment. However, Defendant 2 began unreasonably withholding the reimbursements and changes. Hence, the suit was filed. By an order dated February 13, 2017, the suit was decided in the favour of the Plaintiff and the Defendant 2 was directed to deposit an amount of ₹ 1.05 crores. Aggrieved by the said order, Defendant 2 has filed an appeal against the order by way of a petition bearing C.C.C.A. No. 41 of 2018 before the Hon'ble High Court of Judicature at Hyderabad. The matter is presently pending.

5. Kodak India Ltd. (the "**Appellan**t") filed a Special Civil Suit before the Hon'ble Civil Judge Senior Division at Panjim praying that the Transport Corporation of India Limited, through its divisional Gati Desk to Desk Cargo (the "**Respondent**") , be ordered and decreed to pay to the Appellant the sum of ₹ 0.93 crores together with interest thereon at the rate of 21% per annum for the loss suffered by the Appellant. Appellant had imported consignment which was shipped to them from Vancouver, Canada to Madras. The Appellant's claim that, at Madras, the consignment, post a pre dispatch survey, was handed over to the Respondent's trailer upon being transferred to a refrigerated container on May 24, 1995 for carriage from Madras to Goa. The consignment was insured for transit risk and any loss/damage with the Oriental Insurance Co. Ltd. ("**Appellant No.2**"). The Appellants were on May 25, 1995 informed that as a result of an accident near Deangere in Karnataka, the container was reported to have capsized and fallen on the road. It was overturned and the consignment continued on path to delivery. Upon the arrival of the container at the Appellant's plant at Goa, a preliminary survey and tests reported that the refrigerated unit which had fallen had failed to run and could not restart and the consignment was received in fully damaged and exposed condition. Appellant issued a notice to the Respondent claiming payment of ₹ 1.20 crores. The Appellant simultaneously also preferred a claim for insurance and received ₹ 0.98 crores. Appellant No. 2 then issued legal notice to the Respondent demanding ₹ 0.98 crores for the loss suffered. Respondent refused to pay claiming the incident to be an Act of God. Thus, a suit was filed. The suit with the said issues was dismissed on November 2, 2010. Aggrieved by the dismissal order, the Appellants have appealed before the Hon'ble High Court of Bombay at Goa through First Appeal No. 23/2011.

6. Our Company ("**Respondent**") on April 4, 2007 issued a work-order to Kirby Building Systems India Limited ("**Appellant**") for construction of a warehouse at Ahmedabad for an amount of ₹ 1.47 crores. The Respondent alleged a breach of contract on part of the Appellant. It was alleged that as per terms of the contract which were approved on September 14, 2007, the materials were kept ready for dispatch by loading them in trailers for shipment on 28th, 29th and 30th of September, 2007. However, the Appellant failed to proceed with the contract. An arbitration award dated September 21, 2017 was passed allowing a claim of ₹ 0.56 crores in favour of the Appellant by a sole arbitrator. The Respondent then filed a petition under Section 34 of the Arbitration and Conciliation Act against the impugned awards before the XI Additional Chief Judge,

Hyderabad in 2018. Thereafter, proceedings took place. Subsequently, the Appellant then against an arbitration award which was partially passed in favour of the Appellant, preferred an appeal by way of A.O.P 87/2019 before the XI Additional Chief Judge, Hyderabad. The matter is presently pending.

Actions taken by regulatory and statutory authorities involving our Company

1. Our Company has received notices dated February 6, 2024 and July 5, 2023 (the "**Notices**") from the Deputy Director General of the Competition Commission of India ("**CCI**") under section 36(2) read with section 41(2) of the Competition Act, 2002. These Notices have been issued pursuant to an order passed by the CCI under section 26(1) dated October 18, 2022 in the matter involving *Express Industry Council of India and Ors.*, wherein allegations concerning anti-competitive practices being carried out in the logistics business in violation of section 3 of the Competition Act, 2002 was addressed. Our Company has responded to the queries raised in the said Notices by way of responses dated March 21, 2024, February 15, 2024, August 3, 2023 and September 14, 2023, providing the requisite information, clarifications and documents. Our Company has not received further communication from the office of the Deputy Director General post submission of responses dated March 21, 2024 and February 15, 2024.

II. Litigation involving our Subsidiaries

Criminal proceedings involving our Subsidiaries

Criminal proceedings against our Subsidiaries

1. Bratendra Narayan Goswami ("**Complainant**") had purchased cashew nuts for selling purpose from Suman Roy alias Najim Roy ("**Accused**") who have introduced himself as a partner of Gouranga Cashew Processing. The consignment was sent through our Subsidiary. The Complainant allegedly had made part payment to Accused based on invoice raised by him in the name of Gouranga Cashew Processing to a total payment of ₹ 50,000 to the bank account of the Accused. It is alleged by the Complainant that the invoice amount for the consignment was paid by the Complainant to the Accused, however, the Complainant had allegedly not received the consignment. Subsequently, the Complainant lodged an FIR dated November 9, 2020 against the Accused which was taken cognizance by the court of Additional Chief Judicial Magistrate, Baruipur, South 24 Parganas, West Bengal. Our Subsidiary was made a party to it since the consignment was being transported by it. The matter is currently pending.
2. Our Subsidiary, formerly known as Gati Kintetsu Express Private Limited (**"Petitioner"**) through Vinod Mehra filed a criminal complaint dated January 19, 2015 under section 407 of the Indian Penal Code against Irfan Khan and Akbar ("**Respondents**"). The Petitioner has alleged that the Respondents have stolen goods worth ₹0.60 crores from the vehicle driven by them belonging to the Petitioner. The Respondents were produced before the magistrate and the case subsequently led against the Respondents and let to their arrests. The matter is currently pending at the stage of arguments on bail application and the next date of hearing is July 22, 2024.
3. Rohit Vaghela (the "**Accused**") FIR copy is alleged to have committed an offence by selling and trading of 900 sealed bottles of Indian made Foreign Liquor worth ₹ 90,000 supplied by Chamunda Chemical, Udaipur through our Subsidiary. A bail application under section 439 of CrPC was filed by the Accused and the co-accused and was the same was allowed by the District and Sessions Judge, Ahmedabad, Gujarat. The matter is currently pending.

Criminal proceedings by our Subsidiary

1. Our Subsidiary, GESCPL (the "**Complainant**") has filed an FIR dated July 4, 2017 at the Okhla Industrial Area police station under sections 420, 406 and 34 of the Indian Penal Code, 1860, bearing number 0250 of 2017 and has also filed an application under section 156 of the Code for Criminal Procedure, 1973 at the Court of Chief Metropolitan Magistrate, Saket Court, Delhi for registration of the FIR and commencement of investigation against Gurpreet Singh and Ors. (the "**Accused**"), for criminal breach of trust. A purchase order dated October 7, 2016 was issued by Shree Krushna Industries and was issued to Fakhri Metals and was booked at the Bhiwandi office. The consignment reached Complainant's office on October 15, 2016 and thereafter, the address could not be located. The Accused had given fake delivery address, and the mentioned address was an under-construction building. The Accused thereafter said that they will take godown delivery. The Accused, thereafter upon taking delivery submitted the payable freight charges of ₹ 20,000 crores by way of a cheque dated October 17, 2016. The cheque was presented the same day and was dishonored with the remark "contact drawer present again". The matter has been filed for the recovery of fright charges and is presently pending.
2. Our Subsidiary, GESCPL (the **"Complainant"**) through its unit manager Benudhar Satpathy, filed a criminal complaint before the Chief Judicial Magistrate, Patna against Pravinkant Pandey (the "**Accused**"). The

Accused is authorized by the Company to be a franchisee proposed to be located in Gaya and their surrounding areas *vide* agreement dated August 1, 2015. It was alleged that the Accused was irregular in making the payment to our Subsidiary, delivery of consignments, deposits of cash in the account of the Subsidiary collected from various customers in the name and on behalf of the Subsidiary, thereby alleging misappropriated funds amounting to ₹0.03 crores. The matter is currently pending.

3. Our Subsidiary, GESCPL has filed an criminal application against Babu Rao Gyan Deo Askat (the "**Accused**"), accusing him of forgery, cheating, and breach of trust under section 419, 420, 467, 468, 471 of the Indian Penal Code. The Accused, who was hired by our Subsidiary as an agent, allegedly submitted forged tax challans to claim payments for transporting ATM machines, resulting in the company paying approximately ₹ 0.79 crores to him based on these falsified documents. This fraudulent activity occurred between 2012 and 2015, and upon discovery, our Subsidiary lodged FIRs in Lucknow and Kolkata, uncovering that Accused and his accomplice, Kuldeep Singh, had colluded in this forgery. Our Subsidiary has opposed Accused's bail application, fearing he will obstruct the ongoing investigation. The affidavit submitted by Kharak Singh Parihar (the "**Deponent**" of the Subsidiary) provides detailed replies and objections to Babu Rao Gyan Deo Accused's bail application. It denies the claims made by Accused, specifically refuting the timing and nature of the FIR registration and asserting that the FIR was registered on August 2, 2016, not May 30, 2017. It objects to the assertion that Accused is falsely implicated, providing evidence of his submission of forged challans and the financial transactions that followed. The affidavit emphasizes the continuity of the offence from 2012 to 2015 and the involvement of Accused's accomplice, Kuldeep Singh, whose handwriting was confirmed on the forged documents through forensic analysis. It also states that the Accused's non-cooperation with the investigation and ongoing judicial proceedings, arguing that granting bail would allow Accused to impede the investigation further.

4. Benudhar Satpathy (the "**Complainant**"), the then GDW Manager of Patna City, filed a complaint against Arvind Kumar and Prakash Kumar (the "**Respondents**"), franchise owners of Gopalganj and Hajipur respectively. They were accused of misappropriating a consignment containing silver articles (Docket No. 468168677) that was booked from Hajipur to Patna and received from Mathura, intended for delivery to Chappra but was never delivered. Internal investigations and CCTV footage confirmed their involvement, yet they denied the allegations. A police complaint was lodged at Malsalami Police Station on July 23, 2018 but was not investigated. Subsequently, an application under Section 156(3) Cr. P. C was filed, leading the court to direct the police to investigate. The amount involved is ₹ 0.03 crores. The case is currently pending, awaiting a report from the police station. The Complainant has since resigned, causing the matter to remain in abeyance. The matter is presently pending.
5. A CCCF Associate Agreement dated July 4, 2016 was entered into by and between Vilas G. Kute and our Subsidiary GESCPL. Subsequently a written complaint filed before senior police inspector for registering the complaint for misappropriation of the fund collected from the customers/consignors, which pertains to GESCPL. The amount involved is ₹ 0.17 crores. Based on the complaint filed by GESCPL an FIR was registered and the case is currently pending before Additional Chief Judicial Magistrate, Parbhani Maharashtra.

6. Our Subsidiary, GESCPL ("**Applicant**") was approached by Amit Kumar Singh at its branch located at Agra, Uttar Pradesh, booking a consignment containing silver ornaments from Agra to Nagpur. The total value of the consignment is ₹ 0.03 crores. When the consignment was traced for delivery, it was found that the docket is missing from the godown of the Applicant and was not traceable. The Applicant has filed an application section 156(3) of Criminal Procedure Code to take action under section 379, 381 and 406 of Indian Penal Code. The matter is currently pending.

7. A criminal petition was filed by our Subsidiary, GESCPL ("**Complainant**"), against Sachin Umesh Badigar ("**Respondent**") at JMFC II Court, Belgaum alleging theft of 9 mobile phones received at the Complainant's office. The matter of the theft came in attention of the Complainant when the customer claimed the consignment of the mobile phones. The matter is currently pending at the stage of witness examination.

8. Pursuant to two memorandums of understanding each dated December 5, 2019 and subsequent addendums ("**MOUs**"), our Subsidiary, formerly known as Gati Kintetsu Express Private Limited ("**Complainant**") had advanced various amounts to M/s. Jaldi Traders and Commerce House Private Limited and TCI HI-ways Private Limited in which Mahendra Kumar Agarwal ("**Accused**") was an indirect shareholder. Further, as per

the terms of the MOUs, the Accused executed personal guarantee to repay the amount involved as per the time set out in the said MOUs and also issued 25 postdated cheques for sum of ₹ 22.88 crores approximately (the "**Cheques**"). As the Accused failed to honour the time schedule, the Complainant intimated the Accused and presented the Cheques for a total sum of ₹ 4.38 crores which were dishonored by the relevant bank. Pursuant to which, the Complainant has filed present complaint under section 200 of the CrPC alleging offences under section 406 and 420 of IPC along with section 156(3) of CrPC. Further, to this the Complainant also registered an FIR bearing number 41 of 2023 ("**FIR**") before Madhapur Police Station. Consequentially, the Accused filed a criminal petition under section 482 of the CrPC before the High Court for the State of Telangana ("**High Court**") challenging the criminal nature of the proceedings and praying for quashing of the FIR. The High Court pursuant to its show cause notice before admission dated February 15, 2023, ordered that no coercive action to be taken against the Accused, until further orders. The Complainant is in the process of filing a withdrawal application in relation to this matter.

Matters under Negotiable Instruments Act

In the ordinary course of business, there are 42 matters aggregating to an amount of ₹ 6.08 crores filed by our subsidiary, Gati Express & Supply Chain Private Limited under section 138 of the Negotiable Instruments Act. Such proceedings are still pending before the adjudicating forum.

Material civil litigation involving our Subsidiaries

Material civil litigation by our Subsidiaries

1. Our Subsidiary, formerly known as Gati Kintetsu Express Private Limited (**"Petitioner"**) filed a Special Leave Petition no. 17073 of 2018 in the Supreme Court of India against the Commissioner, Commercial Tax of Madhya Pradesh and Others (**"Respondent"**). On April 27, 2018, the Petitioner's truck was intercepted and seized by the officers of Respondent wherein the seizure memo stated that the vehicle was detained under the provisions of the Madhya Pradesh Goods and Services Tax Act ("**MPGST**") read with the Central Goods and Services Tax Act (**"CGST**"). Further, part B of the e-way bill for transportation of the goods was not filled up and was faulty and incomplete. Thereafter, the Respondent issued a penalty order upon the owner of the goods. A case was filed with the appellate authority by the Petitioner, which was dismissed and thereafter an appeal has been preferred. However, the appeal has been upheld basis the order of the appellate authority and hence, the Petitioner has filed the present SLP. The amount involved is ₹ 1.32 crores. The matter is presently pending.

2. Our Subsidiary, formerly known as Gati Kintetsu Express Private Limited(**"Plaintiff"**) filed a money recovery suit bearing O.S. No. 924 of 2015 before the Court of Additional District and Sessions Judge III, Ranga Reddy District against Dil Bahadur and others (**"Defendants"**) for an amount of ₹ 0.47 crores. The Defendants were the employees of the Plaintiff and during the course of employment, they manipulated the invoices and submitted the fraudulent bills and concealed the true value of amounts collected. Hence, a suit was filed.

3. Our Subsidiary, formerly known as Gati Kintetsu Express Private Limited (**"Applicant"**) filed a Commercial Arbitration Application before the Civil Court of Senior Division at Hyderabad against M/s. Nova Enterprises (**"Respondent"**), for appointment of an arbitrator under section 11(6) of the Arbitration and Conciliation Act, 1996 in order to adjudicate the disputes that had arisen between the Applicant and Respondent, in relation to termination of the warehousing services agreement dated May 13, 2018. The Applicant has alleged that vague assurances and promises were made by the Respondent to take undue advantage so as to enjoy the warehousing services without any bonafide to make payments of monthly compensation and/or to clear the outstanding dues. Thereafter, an application dated February 14, 2022 was filed before the High Court for the State of Telangana ("**High Court**"), under section 11(6) of the Arbitration and Conciliation Act, 1996 for the appointment of sole arbitrator to adjudicate the dispute that has arisen between Applicant and Respondent. The amount involved is ₹ 0.72 crores. The matter is presently pending.

4. GESCPL ("**Claimant**") raised a dispute for an amount involving ₹ 0.38 crores against Union of India through Senior Divisional Commercial Manager, Central Railway, Mumbai, CSMT ("**Respondents**") claiming refund of lease charges wrongfully recovered and or adjusted by the Respondents for recovery of wrongful penalties levied en-route for detection of excess weights of the freight. For further adjudication of the dispute, a writ petition was filed by the Claimants before the Hon'ble High Court of judicature at Bombay ("**Court**"). The Court *vide* its order dated January 5, 2022 directed the Respondents to decide the claim of the Claimant expeditiously within a period of two months from the date of the order. The Hon'ble High Court Bombay had

disposed off the writ petition with expectation that Respondents would consider the pending request of the Claimant dated January 17, 2017 on its own merits on or before April 5, 2022. However, Respondents fails to comply with the same, despite of notices served by the Claimant along with order copy to Respondents. Thereafter, the Claimants have filed a contempt petition under Article 215 of the Constitution of India read with Section 2(d) and 12 of the Contempt of Courts Act, 1971, praying for the Respondents to abide by the order dated January 5, 2022 passed by the Court.

5. Our Subsidiary, GESCPL (the **"Claimant"**) entered into a contract dated March 28, 2012 ("**Contract**") with M/s Vanguard Therapeutics Private Limited ("**Respondent**") for transport of a consignment. On transfer of the consignment, the Respondent failed to honour the terms of the Contract. Thereafter, the Claimant issued an Arbitration notice dated August 1, 2014 appointing the arbitrator for resolution of the dispute. Pursuant to the award dated May 2, 2015, the dispute was resolved in favour of the Claimant. The Respondent failed to make the payment of the award to the Claimant for an amount involving ₹ 0.30 crore. Subsequent to which, the Claimant has filed a demand notice under Rule 5(1)(a) of Insolvency and Bankruptcy Code, 2016 in respect of unpaid operational debt from the Respondent. The matter is currently pending.

6. Our Subsidiary, formerly known as Gati Kintetsu Express Private Limited (**"Petitioner"**) engaged Parag Saxena ("**Respondent 1**") to carry out the business of booking up consignments/Cargo documents through different locations and Ranjana Saxena ("**Respondent 2**") assumed full and unconditional responsibility and liability of Respondent 1 and was Respondent 1 and 2 would be jointly and severally liable for all amounts that would be due and payable by the Respondent 1 during the course of the business. Consequentially, a CCCF Agreement dated October 31, 20215 was entered into between the Petitioner and Respondent 1 and 2. Petitioner has alleged that the Respondent 1 has never complied with the terms of the CCCF Agreement and collected the freight amount of ₹ 0.06 crore from various customers but failed to remit the same to the Petitioner. The Petitioner has filed an FIR dated April 14, 2017 and thereafter a petition dated May 22, 2017 under section 9 of the Arbitration and Conciliation Act, 1996 before the City Civil Court at Hyderabad seeking for a grant of an interim order in terms of the Arbitration and Conciliation Act, 1996. The matter is currently pending.

Material civil litigation against our Subsidiaries

1. M/s. I-Net Private Limited (**"Applicant"**) initiated a commercial dispute against our Subsidiary, formerly known as Gati Kintetsu Express Private Limited (**"Opposite Party"**) for a claim of ₹ 0.86 crores. The Applicant entered into an arrangement with the Opposite Party in the month of February, 2018 for benefiting from the Opponent Party's services. The Applicant has alleged that upon receipt of customer complaints and upon review of the master information sheet reports, it was brought to their notice that 9,438 pieces of lady's ethnic garments housed in the Opposite Party's warehouse were misappropriated or stolen. The matter was then referred to Delhi Legal Service Authority, South-East, Saket Court, New Delhi for pre-institution mediation. A second and final notice for appearance for the mediation was sent to the parties as on January 30, 2021. The Opposite Party has to date not consented to mediation.

2. Suresh Kannan (the "**Plaintiff No. 3**") intended to participate in the "Productronica India" trade fair in 2017, scheduled at Pragati Maidan, New Delhi, to display automatic crimping machines manufactured by Japan Automatic Machine Co. Limited (the **"Plaintiff No. 1"**). Among these machines, one was to be imported from the factory, a subsidiary of Plaintiff No. 1, in Huizhou, China. In August 2017, Plaintiff No. 1 arranged to transport the machine from Huizhou to Bangalore, with plans for Plaintiff No. 3 to move it to New Delhi for the trade fair. Yusen Logistics ("**Defendant No. 1**") was appointed for the transportation from Huizhou to Bangalore. However, due to customs clearance delays in Chennai, Plaintiff No. 3 requested that Yusen Logistics India Private Limited ("**Defendant No. 2**") deliver the machine directly to New Delhi, wherein Gati Kintetsu Express Private Limited ("**Defendant No. 3**") (collectively the "**Defendants**") was hired. The machine arrived late, just hours before the fair began, and was found to be damaged upon arrival. Plaintiff No. 3 promptly informed Defendants No. 2 and Defendant No. 3 about the machine's condition. After a professional surveyor assessed the damage, it was concluded that the machine was beyond repair, with losses quantified at ₹ 0.27 crores. The Plaintiffs also claimed damages amounting to USD 64,946 for the financial loss and disruption caused by the Defendants' negligence. The plaintiffs, by way of a civil suit bearing No.29/2020 before the City Civil Court at Chennai have sought relief in the form of compensation for the loss and damage incurred, totaling ₹ 0.27 crores and USD 64,946, along with interest, costs, and any other relief deemed appropriate by the court. The matter is presently pending.

3. Sava Healthcare Limited (**"Plaintiff"**) filed a money recovery suit bearing No. 1039/2020 against our Subsidiary, formerly known as Gati Kinetsu Express Private Limited (**"Defendant"**) before the Hon'ble Civil Court, Senior Division, Pune, for an amount of ₹ 0.99 crores. The Plaintiff submitted that they entered into a contract dated April 24, 2018 with the Defendant for delivery of their goods to various destinations. However, during transit the truck carrying the goods was seized by the tax authorities at Indore, Madhya Pradesh for transportation of taxable goods without cover of documents. The Plaintiff has alleged to have suffered hardship and excessive financial loss as a consequence of non-delivery. The matter is presently pending.

4. TATA AIG ("**Plaintiff No. 1**") and another filed a suit against our Subsidiary, formerly known as Gati Kintestu Express Private Limited ("**Defendant**"), before the learned Senior Civil Judge, City Civil Courts, Hyderabad, bearing suit number O.S No. 210 0f 2021. The Plaintiff, represented by its Deputy Vice President & Zonal Manager ("**Plaintiff No. 2**") represented by Plaintiff No. 1 through a special power of attorney, has filed a suit against the Defendant alleging negligence in transporting a consignment. Plaintiff No. 1 issued an open policy covering transit risks for the Plaintiff No. 2's consignment, which was dispatched to Gujarat. The consignment, packed as per standard procedure, was damaged during transportation, leading to the consignee rejecting it. The survey conducted by M/s. Proclaim Insurance Surveyors assessed the loss at ₹ 0.43 crores. The Plaintiff No. 1 settled the claim with the Plaintiff No. 2 for ₹ 0.39 crores and obtained a letter of subrogation and special power of attorney to recover the amount from the Defendant. The plaintiffs claim that the Defendant, as a carrier, is liable under the The Carriers Act, 1865 to reimburse the loss. The plaintiffs have sought the recovery of ₹ 0.39 crores along with future interest at 18% per annum from the date of the suit until realization and the costs of the suit.
5. Parenteral Drugs (India) Limited (**"Respondent"**) approached our Subsidiary, formerly known as Gati Kintetsu Express Private Limited (**"Claimant"**), for transportation of its consignments and those of its sister concerns and entered into a contract dated April 3, 2010 for the transportation of the consignments. The Claimant provided the transportation services from time to time. A sum of ₹ 0.19 crores was due to the Claimant for the transportation services provided and a legal notice was issued to the Respondent for the same. Subsequently, pursuant to the above transportation contract, arbitration proceedings bearing arbitration case No. 13 of 2013 was initiated by the Claimant against the Respondents. An arbitration award dated May 17, 2014 was passed in favour of the Claimant for a total sum of ₹ 0.35 crores. The arbitration award has been appealed by the Respondent. However, the Claimant has initiated an execution application under Order 21, Rule 22 of Code of Civil Procedure, 1908 bearing No. 1658 of 2018 before the Hon'ble High Court of Judicature at Bombay, Maharashtra. The matter is still pending.

Actions taken by regulatory and statutory authorities involving our Subsidiaries

Nil

III. Litigation involving our Directors

Criminal proceedings involving our Directors

Nil

Material civil litigation involving our Directors

1. A recovery suit under Code of Civil Procedure, 1908 was filed by Stallion Laboratories Private Limited ("**Petitioner**") against Dinesh Lal, one of the Directors of our Company, in his capacity as director of AMI India Logistics Private Limited ("**AMI**") for recovery of a sum of ₹0.94 crores before the City Civil and Sessions Court, Ahmedabad, Gujarat. Petitioner claimed they have not received payment of cargo from the consignee since the shipment was delivered to the consignee without surrendering of the original bill of lading. The matter is currently pending.

Actions taken by regulatory and statutory authorities involving our Directors

Nil

IV. Litigation involving our Promoters

Criminal proceedings involving our Promoters

1. This case pertains to the allegation of cheating and criminal breach of trust under the relevant provisions of the Indian Penal Code, 1860 by Manish Kumar Agarwal against Mahendra Kumar Agarwal. The allegation states that Mahendra Kumar Agarwal was entrusted with movable and immoveable properties of Manish Agarwal Benefit Trust ("**MABT**") and Mahendra Kumar Agarwal allegedly misappropriated and diverted the funds of MABT. It was also alleged that Mahendra Kumar Agarwal had obtained secured loans against the shares of MABT and the shares were purportedly pledged. Subsequently, Mahendra Kumar Agarwal had allegedly defaulted in repayment of the loans. In furtherance to this, the lenders sold the shares of MABT which allegedly caused financial loss to MABT.
2. This case pertains to the allegation of cheating and criminal breach of trust under the relevant provisions of the Indian Penal Code, 1860 by Dhruv Kumar Agarwal against Mahendra Kumar Agarwal. The allegation states that Mahendra Kumar Agarwal was entrusted with movable and immoveable properties of Dhruv Agarwal Benefit Trust ("**DABT**") and Mahendra Kumar Agarwal allegedly misappropriated and diverted the funds of DABT. It was also alleged that Mahendra Kumar Agarwal had obtained secured loans against the shares of DABT, and the shares were purportedly pledged. Subsequently, Mahendra Kumar Agarwal had allegedly defaulted in repayment of the loans. In furtherance to this, the lenders sold the shares of DABT which allegedly caused financial loss to DABT.

There are two other criminal matters which have been filed against our outgoing Promoter, one each by the Company and GESCPL, respectively. For further details, please see heading titled *'Criminal proceedings by our Company'* and *'Criminal proceedings by our Subsidiary'* on pages 225 and 231, respectively.

Matters under Negotiable Instruments Act

There are 18 matters aggregating to an amount of ₹ 21.34 crores filed against our outgoing Promoter under section 138 of the Negotiable Instruments Act. These matters are presently pending.

Material civil litigation involving our Promoters

1. Neera Agarwal and two others, (the "**Petitioners**") have filed a company petition bearing number CP. 535/241 of 2019 before the National Company Law Tribunal Hyderabad Bench, Hyderabad (the "**NCLT**") under section 241 read with section 130, 213 and 244 and other applicable provisions of the Companies Act, 2013 (the "**Petition**"), against TCI Finance Limited (the "Respondent No. 1 Company") and 11 others, wherein our Promoters, namely, Mahendra Kumar Agarwal (the "**Respondent No. 2**") and Allcargo Logistics Limited (the "**Respondent No. 9**") have been named amongst the respondents (collectively with Respondent No. 1 Company, Respondent No. 2 and Respondent No. 9 , referred to as the "**Respondents**"). The Respondent No. 1 Company is engaged in the business of financials and hire purchase of all its branches, in any movable and immovable goods and property, carrying out the business as mortgage brokers, financial agents and all sorts of financing and guaranteeing business, including hire purchase business. The Petitioners have alleged that the manner, in which the business affairs of the Respondent No. 1 Company are being conducted, is prejudicial to the interests of its shareholders and accordingly, file the Petition for oppression and mismanagement. Since the Respondent No. 1 Company is a listed entity, the shareholding pattern as on September 30, 2019, filed with the stock exchanges shows the Petitioners as a 'public shareholder' instead of being under the 'promoter group' category. The Respondent No. 1 Company forms part of the promoter group of our Company and it has been alleged that most of the companies wherein Respondent No. 1 Company has invested in, have been loss making. Additionally, it has also been alleged that major portion of the investments and loans which are carried out by the Respondent No. 1 Company are in entities which from part of its related parties / group companies and such investments/loans and advances have been made to serve the benefit of Respondent No. 2 as well as diverting funds of Respondent No. 1 Company, by investing in various group companies, wherein Respondent No. 2 is a director or promoter. Further, during the course of business operations conducted by the Respondent No.1 Company, there has been inadvertent delay and mistakes in submission of the results of shareholders' approval on various material related party transactions proposed to be undertaken by the Respondent No.1 Company. One of our Promoters, Respondent No. 9 has filed a counter against the present Petition, dated December 31, 2019, refuting all allegations and denying all averments which has been made by the Petitioners. Respondent No. 9 has also contended that the non-exclusion of our Company as one of the respondents in the Petition presents the covert and stealthy methods engaged by the Petitioners to indirectly prevent all shareholders of our Company from substantial gains from a very profitable open offer transaction. The matter is currently pending.

2. Neera Agarwal and two others, (the "**Petitioners**") have filed a company petition bearing number CP. 810/241 of 2019 before the National Company Law Tribunal Hyderabad Bench, Hyderabad (the "**NCLT**") under section 241 read with section 130, 213 and 244 and other applicable provisions of the Companies Act, 2013

(the "Petition"), against TCI Finance Limited (the "Respondent No. 1 Company") and 11 others, wherein our Promoters, namely, Mahendra Kumar Agarwal (the "**Respondent No. 2**") and Allcargo Logistics Limited (the "**Respondent No. 9**") have been named amongst the respondents (collectively with Respondent No. 1 Company, Respondent No. 2 and Respondent No. 9 , referred to as the "**Respondents**"). The Respondent No. 1 Company is engaged in the business of financials and hire purchase in all its branches, in any movable and immovable goods and property, carrying out the business as mortgage brokers, financial agents and all sorts of financing and guaranteeing business, including hire purchase business. The Petitioners have alleged that the manner in which the business affairs of the Respondent No. 1 Company are being conducted, is prejudicial to the interests of its shareholders and accordingly, file the Petition for oppression and mismanagement. Since the Respondent No. 1 Company is a listed entity, the shareholding pattern as on September 30, 2019, filed with the stock exchanges shows the Petitioners as a 'public shareholder' instead of being under the 'promoter group' category. The Respondent No. 1 Company forms part of the promoter group of our Company and it has been alleged that most of the companies wherein Respondent No. 1 Company has invested in, have been loss making. Additionally, it has also been alleged that major portion of the investments and loans which are carried out by the Respondent No. 1 Company are in entities which from part of its related parties / group companies and such investments/loans and advances have been made to serve the benefit of Respondent No. 2 as well as diverting funds of Respondent No. 1 Company, by investing in various group companies, wherein Respondent No. 2 is a director or promoter. Further, during the course of business operations conducted by the Respondent No.1 Company, there has been inadvertent delay and mistakes in submission of the results of shareholders' approval on various material related party transactions proposed to be undertaken by the Respondent No.1 Company. One of our Promoters, Respondent No. 9 has filed a counter against the present Petition, dated December 31, 2019, refuting all allegations and denying all averments which has been made by the Petitioners. Respondent No. 9 has also contended that the non-exclusion of our Company as one of the respondents in the Petition presents the covert and stealthy methods engaged by the Petitioners to indirectly prevent all shareholders of our Company from substantial gains from a very profitable open offer transaction. Additionally, Petitioners have also submitted a complaint to SEBI with the above allegations and requested investigation of the affairs of the Company. The matter is currently pending.

3. Gati Infrastructure Bhasmey Power Private Limited ("**GIBPPL**") (hereinafter referred as "**Borrower"** or **"Corporate Debtor"**), entered into the implementation agreement dated August 30, 2010 with Government of Sikkim and Sikkim Power Development Corporation Limited (SPDC) for setting up a 54 Mega Watt Hydro Power Project in the State of Sikkim, which was subsequently amended up to 62 Mega Watt and for the development of the project, Lenders sanctioned term loan facility and subsequently a Common Rupee Term Loan Agreement was executed on July 29, 2011 which subsequently got amended through an amendment to the Common Loan Agreement (CAL) dated July 29, 2011 on March 26, 2015 between the Borrower and Lenders comprising State Bank of India, PTC India Financial Services Limited (Financial Creditor) and IFCI Limited (Acting as Lenders Agent). However, due to failure of the Corporate Debtor in achieving financial closure of cost overrun debt and failure in equity Infusion, the project got stalled. Moreover, the Corporate Debtor defaulted in paying the outstanding dues and the account of the Corporate Debtor was classified as Non-Performing Asset (NPA) Further, on behalf of the Lenders, IFCI Limited has issued two letters dated 08.03.2019 invoking Personal Guarantee against Mr. Mahendra Kumar Agrawal and Corporate Guarantee against TCI Finance Ltd respectively, demanding a sum of ₹ 150.08 crores due as on January 15, 2029 for Financial Creditor. Personal Guarantor failed to repay the debt amount of the Financial Creditor and in view of this default, the Financial Creditor preferred an Application under Section 95(1) of the IBC seeking initiation of Insolvency Resolution Process against the Personal Guarantor to a Corporate Debtor. Thereby, by admitting the application Tribunal gave the liberty to the creditors to take further steps as per the provisions S.121 of IBC.

4. Neera Agarwal has filed a writ petition bearing no. W.P. No. 6489 of 2020, praying for issuance of a writ of mandamus or any other appropriate writ, direction or order more particularly one in the nature of writ of mandamus declaring a the inaction of the Respondent No 1 in rejecting the Letter of Offer dated March 2, 2020 issued by the 4th Respondent for purchase of the shares of the 3rd Respondent company as arbitrary and illegal and the inaction of the Respondent No 1 in carrying out a detailed investigation into the matters complained by the Petitioners and taking appropriate action against the Respondent No 2 3 and 4 as arbitrary and illegal and consequently direct the 1st Respondent to disallow the open offer being made by the Respondent No 4 and to revoke the approval granted to the Letter of Offer issued by the Respondent No 4 and direct the Respondent No 1 to carry out a detailed investigation into the matters complained by the Petitioners and take appropriate action against the Respondent No 2, 3 and 4 (i.e., Gati Limited, MK Agarwal & Inga Ventures, respectfully).

5. Mahendra Kumar Agarwal (**"Petitioner"**) has filed a Writ Petition before High Court of Telangana bearing number WP. 3120 of 2023 along with an Interim Application no. 1 of 2023, against State Bank of India ("**SBI"**) and Reserve Bank of India ("**RBI**"). The Petitioner was declared to be a 'Wilful Defaulter' vide communication dated January 16, 2023 including the order of the identification committee dated August 21, 2020 and the order of review committee dated November 13, 2020 ("**Orders**"). He was alleged to be defaulting in payment of INR 285,00,00,000. The Petitioner alleged that the Orders were not served to him, and he prayed that this non serving of Order and declaring him as a 'Wilful Defaulter' is against the principles of natural justice along with it being against the procedures laid down by RBI. The Petitioner, thus, prayed for issuance of a writ, order or direction in the nature of mandamus to declare that the action of SBI in declaring the Petitioner as a 'Wilful Defaulter' as illegal, arbitrary, unconstitutional and in violation of the principles of natural justice and to stay all further proceedings/actions pertaining to declaring Mahendra Kumar Agarwal as a 'Wilful Defaulter'. The matter was first heard on February 8, 2023, and the High Court of Telangana had issued notices to RBI and SBI directing them for appearance and also granted interim stay on the Orders and any other proceedings against the Petitioner in pursuance to the Orders. Vide the last order dated April 17, 2023, the High Court of Telangana has extended the interim stay order directing SBI and RBI to file their responses.

6. This is a civil contempt appeal under section 10, 11 and 12 of the Contempt of Court Act, 1971 filed by Neera Agarwal ("**Petitioner**") against M K Agarwal ("**Respondent**") in the High Court of Telangana. The Petitioner alleged deliberate and wilful violation of a court order dated August 22, 2013 by the Respondent. This appeal is related to a divorce petition between the Petitioner and the Respondent and is pending at a pre-admission stage.

7. A civil revision petition has been filed by Neera Agarwal ("**Petitioner**") against M K Agarwal ("**Respondent 1**") and Meera Madhusudhan Singh ("**Respondent 2**") seeking to allow the revision petitions and also praying the setting aside the order dated July 7, 2019 passed in an interim application number 450/2026 in OP No. 101/2003 by Hon'ble Additional Family Court Judge City Civil Court Hyderabad.

Actions taken by regulatory and statutory authorities involving our Promoters

S. No.	Particulars	Details
1.	**Name of the bank declaring the person as a wilful defaulter or a fraudulent borrower**	SBI (State Bank of India)
2.	**Name of the person declared as a wilful defaulter**	Mahendra Kumar Agarwal
2.	**Year in which the person was declared as a wilful defaulter or a fraudulent borrower**	2023
3.	**Outstanding amount when the person was declared as a wilful defaulter**	INR 285,00,00,000
4.	**Steps taken, if any, by the person for removal of its name from the list of wilful defaulter or a fraudulent borrower**	Mahendra Kumar Agarwal ("Petitioner") has filed a Writ Petition before High Court of Telangana bearing number WP. 3120 of 2023 along with an Interim Application no. 1 of 2023, against State Bank of India ("SBI") and Reserve Bank of India ("RBI"), praying for issuance of a writ, order or direction in the nature of mandamus to declare that the action of SBI in declaring the Petitioner as a 'Wilful Defaulter' as illegal, arbitrary, unconstitutional and in violation of the principles of natural justice and to stay all further proceedings/actions pertaining to declaring Mahendra Kumar Agarwal as a 'Wilful Defaulter'. He was declared to be a 'Wilful Defaulter' vide communication dated January 16, 2023 including the order of the identification committee dated August 21, 2020 and the order of review committee dated November 13, 2020 ("Orders"). The Petitioner alleged that the Orders were not served to him, and he prayed that this non serving of Order and declaring him as a 'Wilful Defaulter' is against the principles of natural justice along with it being against the procedures laid down by RBI. The matter was first heard on February 8, 2023, and the High Court of Telangana had issued notices to RBI and SBI directing them for appearance and also granted interim stay on the Orders and any other proceedings against the Petitioner in pursuance to the Orders. Vide the last order dated April 17, 2023, the High Court of Telangana has extended the interim stay order directing RBI and SBI to file their responses.

V. Other outstanding litigation involving our Directors and Promoters wherein an adverse outcome could materially and adversely affect the reputation, operations or financial condition of our Company, on a consolidated basis

1. Neera Agarwal and two others, (the "**Petitioners**") filed a company petition bearing number CP. 810/241 of 2019 before the National Company Law Tribunal, Hyderabad Bench, Hyderabad (the "**NCLT**") under sections 241 and 241 read with sections 130, 213 and 244 and other applicable provisions of the Companies Act, 2013 (the "**Petition**"), against TCI Finance Limited (the "**Respondent No. 1 Company**") and 11 others, wherein our Promoters, namely, Mahendra Kumar Agarwal (the "**Respondent No. 2"**) and Allcargo Logistics Limited (the "**Respondent No. 9"**) have been named amongst the respondents (collectively with Respondent No. 1 Company, Respondent No. 2 and Respondent No. 9 , referred to as the "**Respondents**"). The Respondent No. 1 Company is engaged in the business of financials and hire purchase in all its branches, in any movable and immovable goods and property, carrying out the business as mortgage brokers, financial agents and all sorts of financing and guaranteeing business, including hire purchase business. The Petitioners have alleged that the manner in which the business affairs of the Respondent No. 1 Company are being conducted is prejudicial to the interests of its shareholders, and they have accordingly filed the Petition for oppression and mismanagement. Since the Respondent No. 1 Company is a listed entity, the shareholding pattern as on September 30, 2019, filed with the stock exchanges shows the Petitioners as a 'public shareholder' instead of being under the 'promoter group' category. The Respondent No. 1 Company forms a part of the promoter group of our Company. It has been alleged that most of the companies wherein Respondent No. 1 Company has invested have been loss making. Additionally, it has also been alleged that a major portion of the investments and loans which are undertaken by the Respondent No. 1 Company are in entities which from part of its related parties / group companies and such investments/loans and advances have been made to serve the benefit of Respondent No. 2 as well as diverting funds of Respondent No. 1 Company, by investing in various group companies, wherein Respondent No. 2 is a director or promoter. Further, it has been alleged that during the course of business operations conducted by the Respondent No.1 Company, there have been inadvertent delays and mistakes in submission of the results of shareholders' approval on various material related party transactions proposed to be undertaken by the Respondent No.1 Company. One of our Promoters, Respondent No. 9 has filed a counter against the present Petition, dated December 31, 2019, refuting all allegations and denying all averments which has been made by the Petitioners. Respondent No. 9 has also contended that the non-exclusion of our Company as one of the respondents in the Petition presents the covert and stealthy methods engaged by the Petitioners to indirectly prevent all shareholders of our Company from substantial gains from a very profitable open offer transaction. Additionally, Petitioners have also submitted a complaint to SEBI with the above allegations and requested investigation of the affairs of the Company. The matter is currently pending.

VI. Tax proceedings

We have set out below claims relating to direct and indirect taxes involving our Company and our Subsidiaries in a consolidated manner giving details of number of cases and total amount involved in such claims:

Nature of case	Number of cases	Amount involved (in ₹ crores)*
Company		
Direct Tax	10	9.20
Indirect Tax	14	49.43
Total	**24**	**58.63**
Subsidiaries		
Direct Tax	6	31.61**
Indirect Tax	33	34.28
Total	**39**	**65.89**

* *To the extent quantifiable*

** *GESCPL has reported the said amount as contingent liability in accordance with IND AS 37 "Provisions, Contingent Liabilities and Contingent Assets"*

VII. Defaults in repayment of statutory dues, debentures and interest thereon, deposits and interest thereon and loan from any bank or financial institution and interest thereon *

As on date of this Placement Document, there are no defaults in repayment of statutory dues, debentures and interest thereon, deposits and interest thereon and loan from any bank or financial institution and interest thereon.

**Tax litigations of income tax, GST, sales tax, custom, etc. involving tax liabilities, if any and pending at various forums are sub judice and therefore not considered as defaults until the final order is received.*

VIII. Litigation involving the Amalgamating Group

Criminal Proceedings – Amalgamating Group

As on the date of this Placement Document, there are no material criminal proceedings involving ALL.

For details pertaining to the criminal proceedings involving GESCPL, please see "*II. Litigation involving our Subsidiaries"*.

As on the date of this Placement Document, there are no material criminal proceedings involving ASCPL.

Civil Proceedings involving the Amalgamating Group

As on the date of this Placement Document, there are no material civil proceedings involving ALL.

For details pertaining to the civil proceedings involving GESCPL, please see "*II. Litigation involving our Subsidiaries"*.

As on the date of this Placement Document, there are no civil proceedings involving ASCPL.

Tax Proceedings involving the Amalgamating Group

We have set out below claims relating to direct and indirect taxes involving one of our Promoter, ALL in a consolidated manner giving details of number of cases and total amount involved in such claims:

Nature of case	Number of cases	Amount involved (in ₹ crores)*
Direct Tax	5*	6.70
Indirect Tax	7**	173.73
Total	**12**	**180.43**

* *To the extent quantifiable. Allcargo Logistics Limited has reported a contingency of ₹ 5.67 crores in accordance with IND AS 37.*

STATUTORY AUDITORS

In term of the provisions of Section 139 of the Companies Act, M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, were appointed as the Statutory Auditors pursuant to a resolution adopted by our Shareholders at the AGM held on September 15, 2022, for a period of five years, commencing from the conclusion of 27th AGM till the conclusion of 32nd AGM of the Company.

The audited consolidated financial statements for Fiscal 2022 have been audited by our erstwhile statutory auditors, Singhi & Co., Chartered Accountants.

The audited consolidated financial statements for Fiscal 2024 and Fiscal 2023 have been audited by our Statutory Auditors, M/s. S.R. Batliboi & Associates LLP, Chartered Accountants.

The peer review certificate of our Statutory Auditors is valid as of the date of this Placement Document.

FINANCIAL INFORMATION

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Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Allcargo Gati Limited (Formerly known as Gati Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Allcargo Gati Limited (hereinafter referred to as "the Holding Company") its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate comprising of the consolidated Balance sheet as at March 31 2024, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended and notes to the Consolidated Financial Statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, the aforesaid Consolidated 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 consolidated state of affairs of the Group and its associate as at March 31, 2024, their consolidated profits including other comprehensive loss, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated 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 Consolidated Financial Statements' section of our report. We are independent of the Group and associate 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 Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

Key audit matters	How our audit addressed the key audit matter
Recoverability of trade receivables *(as described in Note 12 of the Consolidated Financial Statements)*	
The gross balance of trade receivables as at March 31, 2024 amounted to Rs. 29,733 Lakhs, against which the Group has recorded expected credit loss provision of Rs. 5,352 Lakhs. The collectability of trade receivables is a key element of the Group's working capital management. The Group has a formal policy for evaluation of recoverability of receivables and recording of impairment loss which is applied at every period-end. In accordance with Ind AS 109 'Financial Instruments', the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on trade receivables which is based on the historical credit loss experience, current conditions and forecasts of future conditions. In calculating expected credit loss, the Group has also considered customer accounts as well as experience with collection trends and current economic and business conditions. We considered this as key audit matter due to the materiality of the amounts and significant estimate and judgements as stated above.	Our audit procedures among other things included the following: • We obtained an understanding of the Group's policies, processes and financial controls relating to the monitoring of trade receivables and review of credit risks of customers, evaluated the design and tested the operating effectiveness of such controls. • We performed procedures to evaluate the management's assessment of recoverability of receivables including management's estimates and the inputs used for development of the ECL model, analysis of ageing of receivables, assessment of material overdue individual trade receivables and specific customer balances. • We circularized requests for balance confirmations on sample basis and examined responses. Performed alternate procedures where confirmations were not received. • We inspected relevant contracts and correspondences with the customers on sample basis, assessment of their creditworthiness with reference to publicly available information etc., where applicable. • We obtained evidence of receipts from customers after the period end on test check basis. • We tested the mathematical accuracy and computation of the allowances by using the same input data used by the Group.

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Key audit matters	How our audit addressed the key audit matter
	We assessed the adequacy of the disclosures on the trade receivables in Note 12.
Impairment assessment of Goodwill *(as described in Note 4 of the Consolidated Financial Statements)*	
The Group has recognised goodwill of Rs. 42,580 lakhs as at the balance sheet date. Goodwill is tested for impairment annually. Management has assessed and determined the recoverable amount based on judgments and key assumptions relating to identification of impairment indicators, revenue growth, operating margin, forecasts of future cashflows and discount rates applied to such cash flows. We considered this as key audit matter because the assumptions on which the tests are based are highly judgmental and are affected by future market and economic conditions which are inherently uncertain and because of the materiality of the balances to the Consolidated Financial Statements as a whole.	Our audit procedures among other things included the following: • We obtained an understanding of the Group's processes and policies with respect to assessment of impairment, evaluated the design and tested the operating effectiveness of such controls. • We obtained and assessed the cash flow forecasts and evaluated the key assumptions and estimates used by Management in preparing these forecasts by comparing them with factors such as historical financial information and performing inquiries with Management. • We assessed objectivity and independence of external specialist engaged by the management for evaluation of recoverable value. We obtained and read the report of external specialist to understand the work performed on testing of key assumptions and estimates and their outcome of testing. • We involved our subject matter experts to assist in evaluating the valuation methodology, identifying and testing key assumptions and estimates and performing comparative calculations to test the reasonableness of key assumptions used in preparing the cash flow forecasts. • We also assessed the recoverable value by performing sensitivity testing of key assumptions used. • We tested the arithmetical accuracy of the calculations and assessed the accounting treatment applied. • We assessed whether the disclosures made in Consolidated Financial Statements, are in accordance with the requirements of the Indian Accounting Standards.

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Other Information

The Holding 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 Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated 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 Consolidated Financial Statements, our responsibility is to read the other information and in doing so, consider whether such other information is materially inconsistent with the Consolidated 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the Consolidated Financial position, Consolidated Financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate 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. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of their respective companies 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of their respective companies.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated 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 Consolidated 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 ability of the Group and its associate 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 Consolidated 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 Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of four subsidiaries, whose financial statements include total assets of Rs 210.28 Lakhs as at March 31, 2024 and total revenues of Rs Nil and net cash outflows of Rs 60.65 Lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The Consolidated Financial Statements also include the Group's share of net profit of Rs. Nil for the year ended March 31, 2024 as considered in the Consolidated Financial Statements, in respect of one associate, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of such other auditors.

Our opinion above on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

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, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and associate company, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

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2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, and associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon 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 of the aforesaid Consolidated Financial Statements;

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

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

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

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate company, none of the directors of the Group's companies and its associate, incorporated in India, 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 Consolidated Financial Statements of the Holding Company and its subsidiary companies and associate company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Holding Company, its subsidiaries incorporated in India to their 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate, as noted in the 'Other matter' paragraph:

    i. The Consolidated Financial Statements disclose the impact of pending litigations on its Consolidated Financial position of the Group and its associate in its Consolidated Financial statements – Refer Note 37(i) to the Consolidated Financial Statements;

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ii. The Group and its associate did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2024;,

iii. Following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associate, incorporated in India during the year ended March 31, 2024.

Period to which the amount relates	Amount (Rs in Lacs)	Delay in days	Remarks
FY 2006-07	0.32	3,352	During the year Holding Company has deposited these amounts in delay with Investor Education and Protection Fund.
FY 2008-09	0.21	2,892	
FY 2009-10	0.30	2,485	
FY 2010-11	0.00	2,135	
FY 2011-12	0.67	1,590	
FY 2012-13	0.65	1,282	
FY 2013-14	3.47	940	
FY 2014-15	4.29	519	
FY 2015-16	8.03	187	
FY 2016-17	2.72	85	
	20.67		

iv. a) The respective managements of the Holding Company and its subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate respectively 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 Holding Company or any of such subsidiaries and associate to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries and associate ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and associate respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries and associate from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and associate 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

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c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. No dividend has been declared or paid during the year by the Holding Company, its subsidiaries and associate company, incorporated in India.

vi. Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries and associate which are companies incorporated in India whose financial statements have been audited under the Act, the Holding Company and one subsidiary has used six accounting softwares for maintaining its books of account which has 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 59 to the financial statements, audit trail at application level in case of three softwares was enabled for substantial part of the year and in case of one software audit trail is not enabled for direct changes to data when using certain access rights. 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.

Four subsidiaries have used accounting software for maintaining its books of account which does not have the feature of recording audit trail (edit log) facility, as described in note 59 to the financial statements, and accordingly, reporting on tampering of audit trail does not arise.

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

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

per Aniket A Sohani
Partner
Membership Number: 117142

UDIN: 24117142BKDHZP4700
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

Re: Allcargo Gati Limited ("the Holding Company")

In terms of the information and explanations sought by us and given by the Holding 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:

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the Consolidated Financial Statements are:

S.No	Name	CIN	Holding company/ subsidiary	Clause number of the CARO report which is qualified or is adverse
1	Allcargo Gati Limited	L63011TG1995PLC020121	Holding Company	Clause 3(i)(c) [1], Clause 3(vii)(a) [2]
2	Gati Projects Private Limited	U45400TG2011PTC072399	Subsidiary	Clause 3(xvii) [3] Clause 3(xix) [4]
3	Zen Cargo Movers Private Limited	U64120DL2007PTC160560	Subsidiary	Clause 3(xvii) [3] Clause 3(xix) [4]
4	Gati Import Export Trading Limited	U60232TG2008PLC057692	Subsidiary	Clause 3(i)(c) [1] Clause 3(xvii) [3] Clause 3(xix) [4]
5	Gati Logistics Parks Private Limited	U63030TG2011PTC072285	Subsidiary	Clause 3(ix)(a) [5] Clause 3(xvii) [3] Clause 3(xix) [4]
6	Gati Express and Supply Chain Private Limited	U62200MH2007PTC390900	Subsidiary	Clause 3(vii)(a) [2]

[1] Clause pertains to title deeds of certain of immovable properties not held in name of the Company.
[2] Clause pertains to undisputed statutory dues of certain statute not deposited for a period of more than six months.
[3] Clause pertains to cash losses incurred in current and immediately preceding financial year.
[4] Clause pertains to 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.
[5] Clause pertains to outstanding loans or borrowings or interest thereon due to any lender during the year.

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

per Aniket A Sohani
Partner
Membership No.: 117142
UDIN: 24117142BKDHZP4700
Mumbai
May 16, 2024

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

ANNEXURE '2' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ALLCARGO GATI LIMITED

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

In conjunction with our audit of the Consolidated Financial Statements of Allcargo Gati Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 respective 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 Holding Company's internal financial controls with reference to Consolidated 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, 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 Consolidated 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 Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated 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 internal financial controls with reference to Consolidated Financial Statements.

S.R. BATLIBOI & ASSOCIATES LLP
MUMBAI
CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

A Company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Consolidated 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 Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated 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 Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Consolidated 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 Group , which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31,2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

S.R. BATLIBOI & ASSOCIATES LLP
MUMBAI
CHARTERED ACCOUNTANTS

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements of the Holding Company, in so far as it relates to four subsidiaries and one associate which are Companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and associate incorporated in India.

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

per Aniket A Sohani
Partner
Membership No.: 117142
UDIN: 24117142BKDHZP4700
Mumbai
May 16, 2024.

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

Allcargo Gati Limited (Formerly known as Gati Limited)
Consolidated 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	3A	6,424	7,262
Right-of-use Asset	3B	22,132	18,278
Goodwill	4	42,580	42,580
Other Intangible Assets	5	219	333
Intangible Assets under Development	6	371	59
Financial Assets			
Other Financial Assets	7	1,505	1,047
Deferred Tax Assets, net	8	3,568	2,635
Income tax assets, net	9	5,910	6,610
Other Non-Current Assets	10	595	160
		83,304	**78,964**
Current Assets			
Inventories	11	215	244
Financial Assets			
Trade Receivables	12	24,381	26,678
Cash and Cash Equivalents	13A	8,863	1,893
Other Bank Balances	13B	8,676	7,759
Other Financial Assets	14	2,153	2,431
Other Current Assets	15	3,406	3,113
		47,694	**42,118**
Assets Held for Sale	16	1,346	7,388
		49,040	**49,506**
Total Assets		**1,32,344**	**1,28,470**
Equity and Liabilities			
Equity			
Equity Share Capital	17	2,605	2,603
Other Equity	18	60,940	58,864
Equity attributable to equity holders of the Company		**63,545**	**61,467**
Non Controlling Interest	19	6,469	7,344
		70,014	**68,811**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	20	-	1
Lease Liabilities	21	19,284	16,052
Provisions	22	2,167	1,920
		21,451	**17,973**
Current Liabilities			
Financial Liabilities			
Borrowings	23	14,425	12,449
Lease Liabilities	21	4,900	3,575
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		7,761	8,387
Other Financial Liabilities	25	9,665	13,084
Other Current Liabilities	26	1,942	1,742
Provisions	22	1,108	1,321
		40,879	**41,686**
Total Liabilities		**62,330**	**59,659**
Total Equity and Liabilities		**1,32,344**	**1,28,470**
Material Accounting Policies	2		

The accompanying notes form an integral part of the Consolidated 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

S.R. BATLIBOI & ASSOCIATES LLP * MUMBAI * CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of Allcargo Gati Limited
(formerly known as Gati Limited)
CIN: L63011MH1995PLC420155

Shashi Kiran Shetty
Chairman & Managing Director
DIN: 00012754

Pirojshaw Sarkari
Director
DIN: 00820860

ALLCARGO GATI LIMITED HYDERABAD

Anish T Mathew
Chief Financial Officer
M. No. 211965

Place: Hyderabad
Date: May 16, 2024

T S Maharani
Company Secretary
M No. F8069

Place: Hyderabad
Date: May 16, 2024

Allcargo Gati Limited (Formerly known as Gati Limited)
Consolidated 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	1,69,799	1,72,317
	Other Income	28	1,151	2,287
	TOTAL INCOME (I)		**1,70,950**	**1,74,604**
(II)	**EXPENSES**			
	Operating Expenses	29	1,11,625	1,05,954
	Purchase of Stock-in-trade		21,310	24,744
	Changes in Inventories of stock-in-trade	30	29	36
	Employee Benefit Expenses	31	17,726	18,815
	Finance Costs	32	3,002	2,936
	Depreciation and Amortisation Expense	33	6,894	5,921
	Other Expenses	34	13,919	15,764
	TOTAL EXPENSES (II)		**1,74,505**	**1,74,170**
(III)	**PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)**		**(3,555)**	**434**
(IV)	Exceptional Items	35	3,449	96
(V)	**PROFIT/(LOSS) BEFORE TAX (III+IV)**		**(106)**	**530**
(VI)	**TAX EXPENSES**	36		
	Current Tax		235	1,313
	Deferred Tax		(895)	347
	Tax related to earlier years		(58)	(39)
	TOTAL TAX EXPENSES		**(718)**	**1,621**
(VII)	**PROFIT/(LOSS) FOR THE YEAR (V-VI)**		**612**	**(1,091)**
(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		(151)	(813)
	b) Income tax effect on above items		38	201
	OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX)		**(113)**	**(612)**
(IX)	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VII+VIII)**		**499**	**(1,703)**
(X)	**Profit/(Loss) for the year**		**612**	**(1,091)**
	Attributable to:			
	Owners of the company		1,453	(928)
	Non-Controlling Interests		(841)	(163)
	Other Comprehensive Income for the year		**(113)**	**(612)**
	Attributable to:			
	Owners of the Company		(79)	(433)
	Non-Controlling Interests		(34)	(179)
	Total comprehensive income for the year		**499**	**(1,703)**
	Attributable to:			
	Owners of the company		1,374	(1,361)
	Non-Controlling Interests		(875)	(342)
	EARNINGS PER EQUITY SHARE	44		
	[Nominal value per share ₹ 2/-]			
	Basic (in ₹)		1.12	(0.74)
	Diluted (in ₹)		1.12	(0.74)
	Material Accounting Policies	2		

The accompanying notes form an integral part of the Consolidated 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

S.R. BATLIBOI & ASSOCIATES LLP
MUMBAI
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of Allcargo Gati Limited
(formerly known as Gati Limited)
CIN: L63011MH1995PLC420155

Shashi Kiran Shetty
Chairman & Managing Director
DIN: 00012754

Pirojshaw Sarkari
Director
DIN: 00820860

ALLCARGO GATI LIMITED
HYDERABAD

Anish T Mathew
Chief Financial Officer
M. No. 211965

T S Maharani
Company Secretary
M No. F8069

Place: Hyderabad
Date: May 16, 2024

Place: Hyderabad
Date: May 16, 2024

Allcargo Gati Limited (Formerly known as Gati Limited)
Consolidated 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 Flow from Operating Activities		
Profit/(Loss) Before Taxes after exceptional items as per Statement of Profit and Loss	**(106)**	**530**
Adjustments For :		
Depreciation and Amortisation Expense	6,894	5,921
Finance Costs	3,002	2,936
Interest on Income Tax Refund	(132)	(158)
Interest Income from Deposit with Bank and Others	(600)	(225)
Interest Income from Unwinding of Other Financial Assests	(140)	(89)
Liabilities no longer required - written back	(141)	(1,684)
Impairment charged/(Reversed) of Property, Plant and Equipment	(50)	345
Loss on write off of Property, Plant and Equipment	27	792
Net (gain)/ loss on sale of Property, Plant and Equipment	26	(17)
Net gain on Lease Modification	(77)	(22)
Net gain on Sale of Mutual Funds	-	(8)
Relinquishment of the financial liability	(2,360)	-
Allowance for Expected Credit Loss	44	2,555
Bad debts and irrevocable balances written off (net of allowances)	10	23
Allowance for other financial assets	70	-
Provision for Employees Share Appreciation Rights	413	924
Net Foreign Exchange gain	15	-
Net gain on disposal of Non-core Assets	(1,066)	(704)
Impairment Reversed in the realisable value of Non-core Assets	-	(529)
Operating profit before working capital changes	**5,829**	**10,590**
Decrease In Inventories	29	36
Decrease /(Increase) In Trade Receivables	2,253	(5,486)
Increase in Other Financial Assets	(25)	(164)
(Increase)/Decrease in Other Assets	(373)	228
(Decrease)/Increase in Provisions	(117)	358
(Decrease)/Increase in Financial Liabilities	(513)	1,040
(Decrease)/Increase In Trade Payables	(689)	5
Increase/(Decrease) in Liabilities	210	(82)
Cash generated from operating Activities	**6,604**	**6,525**
Direct Taxes paid (net of refunds)	655	(707)
Net Cash Flows generated from Operating Activities (A)	**7,259**	**5,818**
(B) Cash Flow from Investing Activities		
Proceeds from sale of Property, Plant and Equipment	165	117
Proceeds from sale of Non-core Assets	7,779	7,776
Expenditure on Property, Plant and Equipment	(2,062)	(3,295)
Expenditure on Intangible Assets including Intangibles under development	(395)	(21)
Purchase of Current Investments	-	(100)
Proceeds from Sale of Investments	-	1,119
Investment in bank Fixed Deposit, net	(917)	(7,524)
Interest Received	613	295
Net Cash Flows generated/(used) from Investing Activities (B)	**5,183**	**(1,633)**
(C) Cash Flow from Financing Activities		
Proceeds from issue of Equity Shares on exercise of ESARs	2	-
Proceeds from allotment of shares against Share Warrants	-	5,250
Repayment of Public Deposits	(111)	(305)
Repayment of Long Term Borrowings	(11)	(1,012)
Proceeds/(repayment) of Short Term Borrowings (Net)	2,085	(1,466)
Transfer of Unpaid Public deposits to Investor Education and Protection Fund(IEPF)	(21)	-
Payment of Unpaid Dividend and transfer to Investor Education and Protection Fund(IEPF)	(18)	-
Payment of Principal portion of Lease Liabilities	(4,400)	(3,394)
Payment of Interest on Lease Liabilities	(1,897)	(1,650)
Interest Paid	(1,101)	(1,296)
Net Cash Flows used in Financing Activities (C)	**(5,472)**	**(3,873)**
Net Increase in Cash and Cash Equivalents (A+B+C)	**6,970**	**312**
Cash and Cash Equivalents at the beginning of the year	1,893	1,581
Cash and Cash Equivalents as the end of the year	**8,863**	**1,893**

S.R. BATLIBOI & ASSOCIATES LLP * MUMBAI * CHARTERED ACCOUNTANTS

ALLCARGO GATI LIMITED HYDERABAD

Allcargo Gati Limited (Formerly known as Gati Limited)
Consolidated Cash Flow Statement for the year ended March 31, 2024
(All amounts in Indian Rupees lakhs, unless otherwise stated)

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
Balance with Banks:		
On Current Accounts	3,788	1,878
Deposits with original maturity of less than three months	5,057	-
Cash on hand	18	15
Cash and Cash Equivalents as per Balance Sheet (Refer Note 13A)	**8,863**	**1,893**

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

	Public Deposits	Short Term Borrowings	Long Term Borrowings *	Lease liabilities
Balance as at April 1, 2022	404	13,806	1,024	17,201
Cash Flow Changes, net	(306)	(1,466)	(1,013)	(5,044)
On account of Ind AS 116	-	-	-	7,470
Others	-	-	-	-
Balance as at March 31, 2023	**99**	**12,340**	**11**	**19,627**
Balance as at April 1, 2023	99	12,340	11	19,627
Cash Flow Changes, net	(111)	2,085	(11)	(6,297)
On account of Ind AS 116	-	-	-	10,854
Others	12	-	-	-
Balance as at March 31, 2024	-	**14,425**	-	**24,184**

(*) Includes current maturities of long term borrowings
Note : Public deposits balance does not include the obligation related to unpaid matured deposits which is Grouped under "Other Current Financial liabilities".

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 Allcargo Gati Limited
CIN: L63011MH1995PLC420155

Shashi Kiran Shetty
Chairman & Managing Director
DIN: 00012754

Pirojshaw Sarkari
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

Place: Hyderabad
Date: May 16, 2024

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

ALLCARGO GATI LIMITED HYDERABAD

Allcargo Gati Limited (Formerly known as Gati Limited)
Consolidated 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 01, 2023	**13,01,30,117**	**2,603**
Add/(Less): Changes in Equity Share Capital for the year ended March 31, 2024 (Note a)	1,21,910	2
Balance as at March 31, 2024	**13,02,52,027**	**2,605**

Particulars	No. of Shares	Amount
Balance as at April 01, 2022	**12,29,68,997**	**2,459**
Add/(Less): Changes in Equity Share Capital for the year ended March 31, 2023 (Note b)	71,61,120	144
Balance as at March 31, 2023	**13,01,30,117**	**2,603**

Note (a) During the current year upon vesting of Grant 1 shares, the Company has allotted equity shares of 1,21,910 towards exercise of vested ESARs of 2,85,000. For these shares allotment, the Company has received Rs 2.43 lakhs at face value of Rs 2 per share as per the "Gati Employees Stock Appreciation Rights Plan 2021(ESAR Plan 2021).

B) Other Equity

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

Particulars	Reserves and Surplus							Money received against share warrants	Equity attributable to owners of the company	Non controlling Interest	Total
	Securities Premium	General Reserve	Capital Reserve	Tonnage Tax Reserve (Utilized)	Share Option Outstanding account/ESAR's	Special Reserve	Retained Earnings				
Balance as at April 01, 2023	**41,924**	**10,505**	**2,084**	**929**	**1,649**	**14,707**	**(12,934)**	**-**	**58,864**	**7,344**	**66,208**
Profit/(Loss) for the year	-	-	-	-	-	-	1,453	-	1,453	(841)	612
Other Comprehensive income for the year	-	-	-	-	-	-	(79)	-	(79)	(34)	(113)
Share based payment expense	-	-	-	-	702	-	-	-	702	-	702
Transfer on account of ESARs not exercised	-	26	-	-	(26)	-	-	-	-	-	-
Transfer on account of exercise of ESARs	306	-	-	-	(306)	-	-	-	-	-	-
Balance as at March 31, 2024	**42,230**	**10,531**	**2,084**	**929**	**2,019**	**14,707**	**(11,560)**	**-**	**60,940**	**6,469**	**67,409**

Particulars	Reserves and Surplus							Money received against share warrants	Equity attributable to owners of the Company	Non controlling Interest	Total
	Securities Premium	General Reserve	Capital Reserve	Tonnage Tax Reserve (Utilized)	Share Option Outstanding account/ESAR's	Special Reserve	Retained Earnings				
Balance as at April 01, 2022	**35,067**	**10,505**	**2,084**	**929**	**56**	**14,707**	**(11,572)**	**1,750**	**53,526**	**7,686**	**61,212**
Profit/(Loss) for the year	-	-	-	-	-	-	(928)	-	(928)	(163)	(1,091)
Other Comprehensive income for the year	-	-	-	-	-	-	(433)	-	(433)	(179)	(612)
Share based payment expense	-	-	-	-	1,593	-	-	-	1,593	-	1,593
Issue of shares pursuant to prefential allotment (Note b)	6,857	-	-	-	-	-	-	(1,750)	5,107	-	5,107
Balance as at March 31, 2023	**41,924**	**10,505**	**2,084**	**929**	**1,649**	**14,707**	**(12,934)**	**-**	**58,864**	**7,344**	**66,208**

Note (b) During the previous year, the Company has issued and allotted 71,61,120 Equity Shares of face value of ₹ 2/- each ("Equity Shares") against share warrants at a price of ₹ 97.75/- per Equity Share at a premium of ₹ 95.75/- per Equity Share, aggregating up to ₹ 6,857 lakhs.

The accompanying notes form an integral part of the Consolidated 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 Allcargo Gati Limited
CIN: L63011MH1995PLC420155

Shashi Kiran Shetty
Chairman & Managing Director
DIN: 00012754

Pirojshaw Sarkari
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

Place: Hyderabad
Date: May 16, 2024

Corporate and General information:

The Consolidated Financial Statements comprise financial statements of Allcargo Gati Limited ("the Holding Company" or "Gati" or "the Company") and its Subsidiaries (collectively, the Group) for the year ended March 31, 2024. The Holding Company is a public limited Company incorporated in 1995 under provisions of the Companies Act, 1956 having its Corporate Office at 4th floor, Western Pearl, Survey No.13(P), Kondapur, Hyderabad - 500084, Telangana, India. The Group is primarily engaged in the business of Express distribution and Supply chain solution through Surface, Air and Rail logistics, Supply chain management (SCM), E-Commerce logistics, and Fuel stations. The Holding Company is listed on National Stock exchange (NSE) and Bombay Stock Exchange (BSE).

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.

The Subsidiary companies considered in these Consolidated Financial Statements are as follows:

Sl. No.	Name of the subsidiary	Country of Incorporation	% Voting Power as at March 31, 2024	% Voting Power As at March 31, 2023
1	Gati Express & Supply Chain Private Limited (Formerly known as Gati Kintetsu Express Private Limited)	India	70%	70%
2	Gati Import Export Trading Limited	India	100%	100%
3	Zen Cargo Movers Private Limited	India	100%	100%
4	Gati Logistics Parks Private Limited	India	100%	100%
5	Gati Projects Private Limited	India	100%	100%

The Group holds an interest in below associate

Sl. No.	Name of the Associate	Country of Incorporation	% Voting Power as at March 31, 2024	% Voting Power as at March 31, 2023
1	Gati Ship Limited	India	47.91%	47.91%

Nature of Business of the subsidiaries and associate are as follows:

Gati Express & Supply Chain Private Limited is India's pioneer and leader in Express Distribution and Supply Chain solutions.

Gati Import Export Trading Limited is primarily engaged in the trading of food, Non - food, pulses watch movements, cosmetics, Automobile spares & Electronic goods & such other products.

Zen Cargo Movers Private Limited is primarily engaged to carry on the business of International and domestic freight & forwarding agents.

Gati Logistics Parks Private Limited is primarily engaged to set up integrated logistics park to let out and / or to carry on activities relating to transport multimodal.

Gati Projects Private Limited is primarily engaged to purchase, on lease or in exchange, hire or otherwise any immovable and/or any rights or privileges.

Gati Ship Limited is primarily engaged to carry on the business of operating ships and all other ancillary incidental and related activities.

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MUMBAI
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(1) Basis of Accounting:

1.1 Statement of Compliance

These Consolidated 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 Consolidated Financial Statements is based on Division II Schedule III of the Companies Act, 2013.

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

1.2 Basis of Measurement

The Consolidated Financial Statements have been prepared on a going concern basis using historical cost, except as stated below

- 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 Group's functional currency, has been rounded to the nearest lakhs, unless otherwise stated.

1.4 Use of Estimates and Judgements

The preparation of the Consolidated 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) Share based payments
(viii) Impairment of Goodwill

1.5 Basis of Consolidation

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has all of the below:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements

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- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control on the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiaries financial statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., year ended March 31, 2024. When the end of the reporting period of the Holding Company is different from that of a subsidiaries, the subsidiary prepares additional financial information as on the same date for consolidation purpose to enable the Holding Company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation Procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Group with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the Holding Company investment in each subsidiary and the Holding Company portion of equity of each subsidiary. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and Property, Plant and Equipment are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

c) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Holding Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

1.6 Current Vs Non-Current Classification

The Group 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.

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The Group 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 Consolidated Financial Statements are as given below. These accounting policies have been applied consistently to all the periods presented in the Consolidated 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 Group 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 Group is committed to selling the assets;
- the assets are available for sale immediately;
- an active plan of sale has commenced; and
- sale is expected to be completed within 12 months.

Assets held for sale and disposal Groups are measured at the lower of their carrying amount and fair value less cost to sell. Assets held for sale are no longer amortised or depreciated from the date of classification.

Subsequent Expenditure:

- Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the cost incurred will flow to the Group 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 equipments and servicing equipments 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.

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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.
- Cost of leasehold land is amortised over the period of the lease or its useful life, whichever is lower.
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (upto) the date on which asset is ready for use (disposed off).

De-recognition Assets:

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

2.2. Intangible Assets:

Intangible assets are stated at acquisition cost net of accumulated amortisation and cumulative impairment, if any. The Group capitalizes identifiable costs relating to development of internally generated software and these are stated net of accumulated amortisation. Estimated economic useful lives of the intangible assets is 3 to 6 years. Intangible assets are amortised on straight line basis over its estimated useful life.

Intangible assets under development comprise costs relating to development of software that are not yet ready for their intended use as at the balance sheet date. The carrying amount of the intangible asset is derecognized on disposal or when no future economic benefit is expected from its use. Any gain or loss is recognised in the statement of Profit and loss.

2.3. Leases:

The Group 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.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Group 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 Group 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. The estimated useful life of Right-of-use assets range from one to seven years.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.4 Impairment assets.

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(ii) Lease Liabilities

At the commencement date of the lease, the Group 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group 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 Group 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. <u>Impairment of assets:</u>

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

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

c) 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.

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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. 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.

2.5. Foreign currency Transactions:

a) The financial statements are presented in Indian Rupee (INR), which is the functional and presentation currency of the Group.

b) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction.

c) At each balance sheet date, foreign currency monetary items are restated using the closing exchange rate.

d) Any exchange difference on account of settlement of foreign currency transactions and restatement of monetary assets and liabilities denominated in foreign currency is recognised in the Statement of Profit and Loss.

e) Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

f) On consolidation of subsidiaries, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in profit or loss.

2.6. Inventories:

Cost of Inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories are valued at lower of cost and net realizable values.
Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Cost are assigned to inventory on "Fist in First out" basis.

2.7. 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 Group as part of the contract. The variable consideration is estimated based on the expected value of outflow.

a) Freight services:

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

The revenue corresponds to the transaction price to which the Group 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 Group 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) Sales of Fuel:

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

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c) Others:

i. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group 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.

2.8. Trade receivables:

A receivable represents the Group'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.

2.9. 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:

- Amortised 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 Group changes its business model for managing financial asset. In the case of financial assets, not recorded at fair value through profit or loss (FVTPL), financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

I.Financial assets at amortized cost:

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

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

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

The Effective Interest Rate (EIR) amortisation is included in finance income in the Statement of Profit and Loss. This category generally applies to long-term deposits and long-term trade receivables.

II.Financial assets at fair value through other comprehensive income (FVOCI):

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

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

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

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

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

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

b) Subsequent measurement
For purposes of subsequent measurement:

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

An investment in associates is carried at cost in separate financial statements.

(ii) Financial Liability:
Financial liabilities are classified and measured at amortised cost or FVTPL

a) Initial Recognition & Subsequent measurement:
I.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 recognised in Statement of Profit and Loss.

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

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

(iii) Impairment of Financial Assets:
In accordance with Ind AS 109, the Group 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.

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

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

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

(iv) Derecognition:

a) Financial Assets:

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

(v) Offsetting:

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet, when and only when, the Group 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.

2.10. <u>Fair Value measurement:</u>

A number of the Group accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities. The Group 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 Group 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).

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For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group 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.

2.11. Employee benefits:

a) Current employee benefits

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

b) Defined contribution plan:

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group 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 Group's gratuity benefit scheme is a defined benefit plan. The Group'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 Group, 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 Group 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 Group 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 Group. 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 Group, 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 Group 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 Group's liability is actuarially determined

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(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 Group 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.

2.12. Exceptional items

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

2.13. Taxes:

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

Current tax:
Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:
Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities in financial statements and their corresponding tax bases. Deferred tax assets are recognized for deductible temporary differences, unused tax credits, and tax losses, but only to the extent that it is probable that taxable profit will be available to offset them. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced if it becomes unlikely that sufficient taxable profit will be available. Unrecognized deferred tax assets are reassessed at each reporting date and recognized if it becomes probable that future taxable profits will allow their recovery.
Deferred tax related to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss, either in other comprehensive income or directly in equity. Deferred tax liabilities and assets are measured using the tax rates expected to apply when the liability is settled or the asset is realized, based on tax rates and laws enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets is reviewed at the end of each reporting period.

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

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

2.14. 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.

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2.15. Provisions and Contingencies:

Provisions are recognised when the Group 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 Group. Such liabilities are disclosed by way of notes to the financial statements.

2.16. Borrowing cost:

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset.
Other borrowing costs are recognised as an expense in the period in which they are incurred.

Where there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.

2.17. Share based payments:

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

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

2.18. Segment Reporting:

Segments are identified based on the manner in which the Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance. Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property and equipment and intangible assets other than goodwill.

2.19. Investment in Associate:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date.

The value of investment in associate had been fully provided in the books of accounts.

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2.20. 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 of the Holding Company 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.

2.21. 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.

2.22. Changes in accounting policies and disclosures

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 Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's 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 the Group 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 Consolidated 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 Consolidated financial statements.

2.23. Significant accounting judgements, estimates and assumptions:

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

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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 42 for further disclosures.

iii) Leases - Estimating the incremental borrowing rate

The Group 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 Group 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 Group 'would have to pay', which requires estimation when no observable rates are available. The Group 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 Group. 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 Group 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.

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3A. Property, Plant and Equipment

Tangible assets

Particulars	Gross Block					Accumulated Depreciation and Impairment						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	Impairment 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
Freehold Land	2,171	-	664	869	638	869	-	-	-	869	-	638	1,302
Buildings	41	-	17	-	24	12	1	-	-	-	13	11	29
Lease Hold Improvements	231	64	-	-	295	7	17	-	-	-	24	271	224
Vehicles	314	-	-	74	240	194	25	-	-	43	176	64	120
Plant & Machinery	3,703	240	-	469	3,474	1,412	475	-	-	393	1,494	1,980	2,291
Computer	4,091	655	-	842	3,904	3,248	440	-	-	842	2,846	1,058	843
Furniture & Fittings	3,723	167	-	463	3,427	1,688	229	-	-	408	1,509	1,918	2,035
Office Equipment	2,215	226	-	325	2,116	1,797	155	-	-	320	1,632	484	418
Total	**16,489**	**1,352**	**681**	**3,042**	**14,118**	**9,227**	**1,342**	**-**	**-**	**2,875**	**7,694**	**6,424**	**7,262**

Tangible assets

Particulars	Gross Block					Accumulated Depreciation and Impairment						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	Impairment 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
Freehold Land	2,176	-	5	-	2,171	524	-	345	-	-	869	1,302	1,652
Buildings	794	-	459	294	41	138	7	-	57	76	12	29	656
Lease Hold Improvements	78	153	-	-	231	1	6	-	-	-	7	224	77
Vehicles	432	35	-	153	314	214	38	-	-	58	194	120	218
Plant & Machinery	4,764	994	-	2,055	3,703	2,501	467	-	-	1,556	1,412	2,291	2,263
Computer	4,234	789	-	932	4,091	3,863	317	-	-	932	3,248	843	371
Furniture & Fittings	3,890	1,352	-	1,519	3,723	2,728	287	-	-	1,327	1,688	2,035	1,162
Office Equipment	2,364	326	-	475	2,215	2,099	161	-	-	463	1,797	418	265
Total	**18,732**	**3,649**	**464**	**5,428**	**16,489**	**12,068**	**1,283**	**345**	**57**	**4,412**	**9,227**	**7,262**	**6,664**

Notes :

a) The amount of Contractual commitments for acquisition of property, plant and equipment is disclosed in Note 37(ii).

b) Refer Note 16 for detailed information on assets held for sale.

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.

d) During the current year, the management has identified three non-core immovable properties for monetisation purpose and accordingly classified from Property Plant and Equipment to Assets Held for Sale as it meets criteria of Asset held for sale amounting Rs.681 Lakhs (March 31, 2023- Rs 407

3B. Right-of-use Asset (ROU)

Particulars	Gross Block					Accumulated Amortization					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	Amortization 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
Buildings	24,202	10,090	-	2,874	31,418	6,264	5,303	-	2,049	9,518	21,900	17,938
Vehicles	814	-	-	797	17	808	7	-	798	17	-	6
Vehicles - ALD Cars	22	6	-	7	21	7	10	-	3	14	7	15
Computers	660	-	-	139	521	446	66	-	139	373	148	214
Plant & Machinery	134	-	-	-	134	29	28	-	-	57	77	105
Total	**25,832**	**10,096**	**-**	**3,817**	**32,111**	**7,554**	**5,414**	**-**	**2,989**	**9,979**	**22,132**	**18,278**

Right-of-use Asset (ROU)

Particulars	Gross Block					Accumulated Amortization					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	Amortization 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
Leasehold Land	910	6	916	-	-	78	2	80	-	-	-	832
Buildings	19,059	6,813	-	1,670	24,202	3,389	3,870	-	995	6,264	17,938	15,670
Vehicles	1,327	-	-	513	814	642	471	-	305	808	6	685
Vehicles - ALD Cars	22	7	-	7	22	4	8	-	5	7	15	18
Computers	660	-	-	-	660	324	122	-	-	446	214	336
Plant & Machinery	38	96	-	-	134	2	27	-	-	29	105	36
Total	**22,016**	**6,922**	**916**	**2,190**	**25,832**	**4,439**	**4,500**	**80**	**1,305**	**7,554**	**18,278**	**17,577**

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3B. Right-of-use Asset (ROU) (Continued)

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	5,414	4,500
Interest expense on Lease Liabilities	1,897	1,650
Total	**7,311**	**6,150**

Notes:

a) The aggregate depreciation expenses on Right-of-use asset (ROU) is included under depreciation and amortization expenses in the Statement of Profit and Loss. (Refer Note - 33)

b) The Company had total cash outflows for leases of ₹ 6,297 lakhs during the year ended March 31, 2024. The maturity analysis of lease liabilities are disclosed in note 21 of these Consolidated financial statements.

4. Goodwill

Goodwill is recognized as the result of consolidation of our subsidiary, Gati Express and Supply Chain Private Limited and 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., April 01, 2016.

Particulars	As at March 31, 2024	As at March 31, 2023
Gross carrying value		
Opening Balance	42,580	42,580
Disposals	-	-
Closing Balance	**42,580**	**42,580**
Accumulated Amortisation		
Opening Balance	-	-
Impairment Loss	-	-
Disposals	-	-
Closing Balance	-	-
Net Carrying Value	**42,580**	**42,580**

The carrying value of the subsidiary company's (Gati Express Supply Chain Private Limited) 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.Impairment testing was performed on 31st March 2024.

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 pre tax discount rates used are based on the Company's weighted average cost of capital 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.

5. Other Intangible Assets

Particulars	Gross Block				Accumulated Amortization and Impairment				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
Computer Software	1,773	35	557	1,251	1,441	138	547	1,032	219	333
Total	**1,773**	**35**	**557**	**1,251**	**1,441**	**138**	**547**	**1,032**	**219**	**333**

Other Intangible Assets

Particulars	Gross Block				Accumulated Amortization and Impairment				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
Computer Software	1,752	21	-	1,773	1,303	138	-	1,441	333	450
Total	**1,752**	**21**	**-**	**1,773**	**1,303**	**138**	**-**	**1,441**	**333**	**450**

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6. 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 Aseets under development.

a) Other Expenses.	371	-
	371	-

Intangible assets under development ageing schedule

	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 Group does not have any overdue projects as at March 31, 2024 and March 31, 2023.

b) The Group does not have any projects where its cost has exceeded its original budget value.

c) The Group has expensed off Rs 59 Lakhs of Intangible assets under development during the year.

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7.	**Other Non Current Financial Assets**	**As at March 31, 2024**	**As at March 31, 2023**
	Considered good, unsecured		
	Security Deposit with Land lords towards leases	1,500	1,012
	Term Deposit with Banks (original and remaining maturity more than 12 months)	5	-
	Margin Money with Banks (remaining maturity more than 12 months)	-	35
	Total (A)	**1,505**	**1,047**
	Gati Kausar India Limited of ₹ 10 -each (*)	8	8
	Less: Impairment Allowance	(8)	(8)
	Total (B)	-	-
	Total (A)+(B)	**1,505**	**1,047**

(*) Gati Kausar India Limited ceased to be a subsidiary with effect from July 14, 2021. The Group has retained 7,518 number of equity shares as investment amounting to ₹ 8 lakhs which was fully provided in earlier years.

8.	**Deferred Tax Assets, net**	**As at March 31, 2024**	**As at March 31, 2023**
	MAT Credit	10	10
	Deferred Tax Assets, net	3,558	2,625
	Total	**3,568**	**2,635**

8.1. 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**	**Others**	**As at March 31, 2024**
Deferred Tax Assets/(Liabilities)					
Property, Plant and Equipment	373	(50)	-	-	323
Assets Held for Sale	(1,051)	1,051	-	-	-
Allowances for Expected Credit Loss	2,020	(345)	-	-	1,675
Employee Benefits - Gratuity and Compensated Absences	800	(31)	38	-	807
Right of Use Assets	(4,587)	(978)			(5,565)
Leases Liabilities	4,928	1,147			6,075
Other Temporary Differences	142	101	-	-	243
MAT Credit Entitlement, net	10	-	-	-	10
Net Deferred Tax Assets/(Liabilities)	**2,635**	**895**	**38**	**-**	**3,568**

Particulars	**As at March 31, 2022**	**Recognised In Statement of Profit & Loss**	**Recognised In Equity**	**Others**	**As at March 31, 2023**
Deferred Tax Assets/(Liabilities)					
Property, Plant and Equipment	237	136	-	-	373
Assets Held for Sale	-	(1,051)	-	-	(1,051)
Allowances for Expected Credit Loss	1,797	223	-	-	2,020
Employee Benefits - Gratuity and Compensated Absences	510	89	201	-	800
Right of Use Assets	(4,213)	(374)	-	-	(4,587)
Leases Liabilities	4,328	600	-	-	4,928
Other Temporary Differences	110	32	-	-	142
MAT Credit Entitlement, net	10	-	-	-	10
Net Deferred Tax Assets/(Liabilities)	**2,779**	**(345)**	**201**	**-**	**2,635**

The Group has determined that undistributed profits of its subsidiaries, will not be distributed in the foreseeable future, Hence the Group has not created Deferred Tax Liability on the undistributed subsidary profits.

9.	**Income tax assets, net**	**As at March 31, 2024**	**As at March 31, 2023**
	Advance tax, net	5,910	6,610
	Total	**5,910**	**6,610**

10.	**Other Non-Current Assets**	**As at March 31, 2024**	**As at March 31, 2023**
	Considered good, unsecured		
	Capital Advance	376	21
	Considered doubtful, unsecured		
	Capital Advance	173	173
	Less: Allowance for Doubtful Advances	(173)	(173)
	Total (A)	**376**	**21**
	Balances with Statutory Authorities	207	126
	Prepaid Expenses	12	13
	Total (B)	219	139
	Total (A)+(B)	**595**	**160**

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

11. Inventories	As at March 31, 2024	As at March 31, 2023
(At Lower of Cost and Net Realisable Value)		
Stock-in-Trade *	215	244
Total	**215**	**244**

* Consists of Petrol, Diesel & Lubricants etc.,
Note: No inventories were pledged as security for liabilities during the current year and previous year.

12. Trade Receivables	As at March 31, 2024	As at March 31, 2023
Unsecured		
Considered Good.	25,837	30,547
Credit Impaired	3,896	3,439
Total	29,733	33,986
Less: Allowances for Expected Credit loss (Refer Note: 42(C)(i)(a))	(5,352)	(7,308)
Total	**24,381**	**26,678**

Trade Receivable ageing schedule as at March 31, 2024

Particulars	Outstanding for following periods from the due date of payment						
	Not due	Less than 6 months	6 months - 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	Total
i) Undisputed Trade Receivable - Considered good	16,128	8,655	650	223	181	-	25,837
ii) Undisputed Trade Receivable - Credit impaired	-	-	-	-	-	141	141
iii) Disputed Trade Receivable - Considered good	-	-	-	-	-	-	-
iv) Disputed Trade Receivable - Credit impaired	-	8	125	459	229	2,934	3,755
Gross Trade Receivables	**16,128**	**8,663**	**775**	**682**	**410**	**3,075**	**29,733**
Less: Allowances for Expected Credit Loss							(5,352)
Balance as at March 31, 2024							**24,381**

Trade receivable ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from the due date of payment						
	Not due	Less than 6 months	6 months - 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	Total
i) Undisputed Trade Receivable - Considered good	14,160	12,820	1,470	1,536	561	-	30,547
ii) Undisputed Trade Receivable - Credit impaired	-	-	-	-	-	219	219
iii) Disputed Trade Receivable - Considered good	-	-	-	-	-	-	-
iv) Disputed Trade Receivable - Credit impaired	-	-	-	-	143	3,077	3,220
Gross Trade Receivables	**14,160**	**12,820**	**1,470**	**1,536**	**704**	**3,296**	**33,986**
Less: Allowances for Expected Credit Loss							(7,308)
Balance as at March 31, 2023							**26,678**

Note:
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 working capital loans. (Refer Note 23)
iii) Trade Receivables are non interest bearing and are generally on terms of 30 to 90 days.

13A. Cash and Cash Equivalents	As at March 31, 2024	As at March 31, 2023
Balances with Banks:		
In Current Accounts	3,788	1,878
Term deposits with bank (original maturities less than 3 months)	5,057	-
Cash on hand	18	15
Total	**8,863**	**1,893**

13B. Other Bank Balances	As at March 31, 2024	As at March 31, 2023
Term deposits with bank (original maturities more than 3 months but less than 12 months)	8,525	7,637
Margin money with bank (original maturities more than 3 months but less than 12 months)	114	67
Unpaid Dividend account	37	55
Total	**8,676**	**7,759**

14. Other Current Financial Assets	As at March 31, 2024	As at March 31, 2023
Considered good, unsecured		
Receivable towards management fees and ESAR from related parties (refer Related Party Note 45(C))	881	768
Security Deposit with Land lords towards leases	870	1,196
Security Deposits with vendors	57	293
Accrued Interest on Deposits	88	100
Inter-Corporate Deposits (ICD's)	25	23
Earnest Money Deposits	6	6
Advance to Employees	15	10
Other receivables	211	35
Total (A)	**2,153**	**2,431**
Considered doubtful, unsecured		
Other receivables	1,911	2,327
Less: Allowance for Doubtful Receivable	(1,911)	(2,327)
Total (B)	-	-
Total (A)+(B)	**2,153**	**2,431**

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15. 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	1,345	711
Advance against Supply of Goods and Services for others	541	746
Considered doubtful, unsecured		
Advance against Supply of Goods and Service	458	458
Less: Allowance for Doubtful Advances	(458)	(458)
Total (A)	**1,886**	**1,457**
Prepaid Expenses	729	500
Balances with Statutory Authorities	788	1,148
Others	3	8
Total (B)	**1,520**	**1,656**
Total (A)+(B)	**3,406**	**3,113**

16. Assets Held for Sale	As at March 31, 2024	As at March 31, 2023
A) Property, Plant & Equipment		
Land & Building	1,346	7,388
Total	**1,346**	**7,388**

Movement of Assets held for sale

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance of Assets held for sale	7,388	13,260
Classified to Assets held for sale during the year (Refer Note 3A)	681	1,243
Disposal of Assets held for sale during the year	(6,723)	(7,115)
Closing Balance of Assets held for sale	**1,346**	**7,388**

Note - The Group 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 Group has taken necessary steps and negotiation is ongoing with the prospective buyers for the sale of assets classified as AHS which is expected to be concluded in next one year.
The Group has sold properties of Rs. 6,723 lakhs and has recorded a gain of Rs. 1,066 lakhs in exceptional item.The proceeds from sale of properties is Rs.7,779 Lakhs included net of advances received against Sale of propertes.

B) Investments	As at March 31, 2024		As at March 31, 2023	
	Number / Units	Amount	Number / Units	Amount
Investment in an Associate	48,00,000	8,623	48,00,000	8,623
Gati Ship Limited of ₹ 10/- each		(8,623)		(8,623)
Less: Impairment Allowance		-		-
Total				

Note:

a) The Board has taken necessary steps and negotiation is ongoing with the prospective buyers for disposal of the above Property Plant & Equipment and investments and transaction is expected to be concluded in next one year.

b) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Holding Company, except for the following:

Description of item of Property	Gross Carrying Value	Title deeds held in the name of	Whether title deed holder is a Promoter,director or relative of Promoter/director or employee of promoter	Property held Since which year	Reason for not being held in the name of the Company
Freehold building (Chennai Myalpore)	352	Transport Corporation of India Limited	No	2000	The asset was transferred to the Company pursuant to the business transfer arrangement with Transport Corporation of India Limited and the same is in the process of sale
Freehold building (Sholapur)	0.01	Transport Corporation of India Limited	No	2000	The asset was transferred to the Company pursuant to the business transfer arrangement with Transport Corporation of India Limited and the same is in the process of sale

17. Share Capital	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
Authorized share capital				
Equity Shares of ₹ 2/- each	17,50,00,000	3,500	17,50,00,000	3,500
		3,500		**3,500**
Issued equity capital				
Equity Shares of ₹ 2/- each fully paid up	13,02,52,027	2,605	13,01,30,117	2,603
		2,605		**2,603**
Subscribed and fully paid-up:				
Equity Shares of ₹ 2/- each fully paid up	13,02,52,027	2,605	13,01,30,117	2,603
	13,02,52,027	**2,605**	**13,01,30,117**	**2,603**

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17. Share Capital (Continued)

a) Reconciliation of equity shares outstanding at the beginning and at the end of 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	13,01,30,117	2,603	12,29,68,997	2,459
Add: Shares issued on allotment during the year (Refer (i) & (ii))	1,21,910	2	71,61,120	144
Shares at the end of the year	**13,02,52,027**	**2,605**	**13,01,30,117**	**2,603**

i) Details of shares issued/allotted during the financial year 2023-24 are as follows:

Date of allotment	Mode of Issue/allotment	No. of shares allotted	Face value per sh	Nature of Consideration
a) August 04, 2023	Employee Stock Appreciation Rights	24,866	2	Cash
b) September 02, 2023	Employee Stock Appreciation Rights	19,469	2	Cash
c) November 03, 2023	Employee Stock Appreciation Rights	62,885	2	Cash
d) February 02, 2024	Employee Stock Appreciation Rights	14,690	2	Cash
Total		**1,21,910**		

ii) During the previous financial year, the Board of Directors of the Company have approved the allotment of 71,61,120 (Seventy One Lakhs Sixty One Thousand One Hundred and Twenty) Equity Shares of a face value of Rs. 2/- (Rupees Two Only) fully paid up, to Allcargo Logistics Limited, Promoter of the Company, pursuant to the exercise of options attached to the Warrants allotted on June 17, 2021 and upon the receipt of balance 75% of the subscription money. Consequent to above allotment, the paid-up equity shares capital of the Company has increased by Rs. 1,43,22,240/- (Rupees One Crore Fourty Three Lakhs Twenty Two Thousand Two Hundred and Fourty Only) which represents 71,61,120 (Seventy One Lacs Sixty One Thousand One Hundred and Twenty) Equity Shares of face value of Rs. 2/- (Rupees Two Only) each.

b) Terms /Rights attached to Shareholders
The Company has only one class of issued shares i.e. Equity Shares having par value of ₹ 2 /- per share. Each holder of Equity Shares is entitled to one vote per share and ranks pari passu. 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) 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 Logistics Limited	6,53,30,095	50.16%	6,53,30,095	50.20%
Mr. Mukul Mahavir Agrawal	70,00,000	5.37%	70,00,000	5.38%
Total	**7,23,30,095**	**55.53%**	**7,23,30,095**	**55.58%**

d) 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.

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

f) Details of shares held by promoters

Sl. No.	Name of the Promoter	As at March 31, 2024		As at March 31, 2023		% Change during the Year
		Number of Shares holding	% of Shareholding	Number of Shares holding	% of Shareholding	
1	Allcargo Logistics Limited (effective from April 08, 2020)	6,53,30,095	50.16	6,53,30,095	50.20	0%
2	Neera And Children Trust	23,15,889	1.78	23,15,889	1.78	0%
3	Mahendra Kumar Agarwal	2,24,935	0.17	2,24,935	0.17	0%
4	Tci Finance Limited	2,84,838	0.22	4,88,347	0.38	-42%
5	Mahendra Kumar Agarwal & Sons HUF	4,90,118	0.38	5,41,568	0.42	-10%
6	Mahendra Investment Advisors Private Limited	1,51,577	0.12	1,51,577	0.12	0%
7	Jubilee Commercial & Trading Private Limited	20,000	0.02	20,000	0.02	0%
8	Dhruv Agarwal Benefit Trust	8,750	0.01	8,750	0.01	0%
9	Manish Agarwal Benefit Trust	1,19,728	0.09	24,728	0.02	384%
10	Bunny Investments & Finance Private Limited	-	0.00	-	0.00	0%
	Total	**6,89,45,930**	**52.93**	**6,91,05,889**	**53.12**	

Note : During the year, the following Promoter and Promoter Group members have applied for reclassification from "Promoter and Promoter Group" category to "Public" category under Regulation 31A of SEBI LODR Regulations, 2015:-

1) Mahendra Kumar Agarwal
2) Mahendra Kumar Agarwal & Sons HUF
3) TCI Finance Limited
4) Mahendra Investment Advisors Private Limited
5) Jubilee Commercial & Trading Private Limited
6) Bunny Investments And Finance Private Limited

18.	Other Equity	As at March 31, 2024	As at March 31, 2023
a)	Securities Premium	42,230	41,924
b)	General Reserve	10,531	10,505
c)	Capital Reserve	2,084	2,084
d)	Tonnage Tax Reserve (Utilized)	929	929
e)	Share based payment reserve (ESARs - Equity)	2,019	1,649
f)	Special Reserve	14,707	14,707
g)	Retained Earning	(11,560)	(12,934)
	Total	**60,940**	**58,864**

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

a) **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.

b) **General Reserve :**
General reserve is the retained earnings of the Group, which are kept aside out of the Group profit to meet future obligations, if any.

c) **Capital Reserve :**
Capital Reserve includes amount received on allotment of convertible warrants was forfeited and transferred to Capital Reserve Account.

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18. Other Equity (Continued)

d) **Tonnage Tax Reserve (Utilised) :**
This reserve is a statutory reserve which is created and will be utilized in accordance with the provisions of Section 115VT of Income tax Act 1961 to comply with the provisions of 'Tonnage Tax Scheme' under Chapter XII-G of Income tax Act, 1961.

e) **Share based payment Reserve :**

The share based payment reserve is used to record the value of equity-settled share based payment transactions with employees. The amount recorded in this reserve is transferred to securities premium upon exercise of stock appreciation rights options by employees. The amount outstanding in the "Share based payment reserve" will be transferred to "General Reserve", when the options are lapsed cancelled .

f) **Special Reserve:**
The Hon'ble Andhra Pradesh High Court, approved the Scheme of Arrangement for amalgamation. (The Scheme) vide its Order dated March 19, 2013 which interalia, permits creation of a capital reserve to be called Special Reserve to which shall be credited excess of value of assets over value of liabilities on amalgamation of the subsidiaries amounting to ₹ 55,554 Lakhs to be utilized by the Company to adjust therefrom any capital losses arising from transfer of assets and certain other losses, any balance remaining in the Special Reserve shall be available for adjustment against any future permanent diminution in the value of assets and exceptional items etc. as specified in the Scheme as the Board of directors may deem fit.

g) **Retained Earnings:**
Retained earnings comprise of net accumulated profit/ (loss) of the Group, 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	41,924	35,067
Add: Issue of shares pursuant to prefential allotment	-	6,857
Add: Transfer on account of exercise of ESARs	306	-
Closing Balance	42,230	41,924

ii) The movement of General Reserve	As at March 31, 2024	As at March 31, 2023
Opening Balance	10,505	10,505
Add: Transfer on account of ESARs not exercised	26	-
Closing Balance	10,531	10,505

iii) The movement of Capital Reserve	As at March 31, 2024	As at March 31, 2023
Opening Balance	2,084	2,084
Add (Less): Adjustment during year	-	-
Closing Balance	2,084	2,084

iv) The movement of Tonnage Tax Reserve (Utilised)	As at March 31, 2024	As at March 31, 2023
Opening Balance	929	929
Add (Less): Adjustment during year	-	-
Closing Balance	929	929

v) The movement of Share based payment reserve (ESARs - Equity)	As at March 31, 2024	As at March 31, 2023
Opening Balance	1,649	56
Add: Share based payment expense	702	1,593
Less: Transfer on account of ESARs not exercised	(26)	-
Less: Transfer on account of exercise of ESARs	(306)	-
Closing Balance	2,019	1,649

vi) The movement of Special Reserve	As at March 31, 2024	As at March 31, 2023
Opening Balance	14,707	14,707
Add (Less): Adjustment during year	-	-
Closing Balance	14,707	14,707

vii) The movement of Retained Earning	As at March 31, 2024	As at March 31, 2023
Opening Balance	(12,934)	(11,572)
Add: Profit/(Loss) for the year	1,453	(928)
Add: Other Comprehensive income for the year	(79)	(433)
Closing Balance	(11,560)	(12,934)

19. Non controlling interest	As at March 31, 2024	As at March 31, 2023
Non controlling interest	7,344	7,686
Add: Loss for the year attributable to Non-controlling interest	(841)	(163)
Add: Other comprehensive income for the year	(34)	(179)
Total	6,469	7,344

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20. Non Current Borrowings	As at March 31, 2024		As at March 31, 2023	
	Non - Current	Current Maturities	Non - Current	Current Maturities
Secured				
ii) Vehicle Loan from Banks	-	-	1	10
Total (A)	-	-	1	10
Unsecured				
Fixed Deposits from Public	-	-	-	99
Total (B)	-	-	-	99
Total (A)+(B)	-	-	1	109

Vehicle loans from Banks is repaid & Fixed Deposits from Public is matured 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	19,284	4,900	16,052	3,575
Total	**19,284**	**4,900**	**16,052**	**3,575**

Notes:

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

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

Particulars	As at March 31, 2024	As at March 31, 2023
Lease liabilities at the beginning of the year	**19,627**	**17,201**
Recognition of lease liability during the year	9,801	6,733
Interest cost accrued during the year	1,897	1,650
Payment of lease liabilities including interest	(6,298)	(5,044)
Decognition of right-of-use liability during the year	(843)	(913)
Lease liabilities at the end of the year	**24,184**	**19,627**

(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	6,298	5,044

(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	6,686	5,073
Later than one year but not later than five years		
1-2 years	5,923	4,432
2-3 years	4,815	3,819
3-4 years	3,953	3,029
4-5 years	1,760	2,301
Later than five years	10,499	10,306
Total	**33,636**	**28,960**

(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 (March 31, 2023 - ₹ 3,612 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 38)	1,678	798	1,500	825
Compensated Absences (Refer Note 38)	489	310	420	496
Total	**2,167**	**1,108**	**1,920**	**1,321**

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

23. **Current Borrowings**	As at March 31, 2024	As at March 31, 2023
Secured		
i) Working Capital facilities from Banks		
Cash Credit	14,425	12,340
ii) Current Maturities of Long term Borrowings	-	109
Total	**14,425**	**12,449**

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) In case of one of the subsidiary "Gati Express & Supply Chain Private Limited " where 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 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

Particulars	Public Deposits	Short Term Borrowings	Long Term Borrowings *
		Year ended March 31, 2024	
Balance as at March 31, 2023	99	12,340	11
Proceeds (Repayment) of Short term borrowings (Net)	-	2,085	-
Repayment of Fixed deposits from Public repaid during the year	(99)	-	-
Long term borrowings repaid during the year	-	-	(11)
Balance as at March 31, 2024	-	14,425	-

(*)Includes current maturities of long term borrowings

Reconciliation of liabilities arising from financing activities

Particulars	Public Deposits	Short Term Borrowings	Long Term Borrowings *
		Year ended March 31, 2023	
Balance as at March 31, 2022	404	13,806	1,024
Proceeds (Repayment) of Short term borrowings (Net)	-	(1,466)	-
Repayment of Fixed deposits from Public repaid during the year	(306)	-	-
Long term borrowings repaid during the year	-	-	(1,013)
Balance as at March 31, 2023	99	12,340	11

(*)Includes current maturities of long term borrowings

d) Evaluation of financial covenant compliance and key performance indicators of material subsidiary

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 - 2.27	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	-	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

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23. Current Borrowings (Continued)

"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."

c) The Company had uncommitted 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.

24. Trade Payables	As at March 31, 2024	As at March 31, 2023
Total Outstanding dues of micro and small enterprises (Refer Note 40)	1,078	1,128
Total Outstanding dues of creditors other than micro and small enterprises	7,761	8,387
Total	**8,839**	**9,515**

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	181	7,761
	8,550	**85**	**23**	**181**	**8,839**

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	8,207	-	48	132	8,387
	9,331	**4**	**48**	**132**	**9,515**

25. Other Current Financial Liabilities	As at March 31, 2024	As at March 31, 2023
Accrued Expenses	3,752	3,765
Security Deposits	2,585	2,689
Employee Related Liabilities	1,196	1,993
Interest Accrued but not due on Borrowings	10	16
Unpaid Dividends	37	55
Unpaid matured deposits and interest accured thereon	18	71
Liability towards guarantee invoked #	-	2,360
Others	2,067	2,135
Total	**9,665**	**13,084**

Represents relinquishment of Corporate Guarantee. Refer note 35 of exceptional items for detailed explanation.

26. Other Current Liabilities	As at March 31, 2024	As at March 31, 2023
Statutory liabilities	1,749	1,510
Advance received towards sale of properties classified under AHS	164	174
Others	29	58
Total	**1,942**	**1,742**

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27. Revenue From Operations	Year ended March 31, 2024	Year ended March 31, 2023
Sale of Services		
Freight, E-commerce and Miscellaneous services	1,47,239	1,46,300
Sale of Products		
Sale of Diesel, Petrol and Lubricants & Others	21,915	25,444
Total (A)	**1,69,154**	**1,71,744**
Other Operating Revenue		
Sale of unclaimed goods	194	460
Management Fee from Related parties	451	113
Total (B)	**645**	**573**
Total (A)+(B)	**1,69,799**	**1,72,317**

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		
a) Express Distribution and Supply Chain	1,47,433	1,46,592
b) Fuel Stations	21,915	25,444
c) Unallocated	451	281
Total	**1,69,799**	**1,72,317**
Revenue based on Geography		
India	1,69,799	1,72,317
Overseas	-	-
Total	**1,69,799**	**1,72,317**
Reconciliation of Revenue from Operation with contract price		
Revenue as per contract price	1,76,822	1,77,251
Less:		
Discounts	(273)	(207)
Credit Notes	(4,093)	(2,447)
Unsatisfied Performance Obligation	(3,302)	(2,853)
Revenue from Operations	**1,69,154**	**1,71,744**

Transaction Price - Unstatisfied Performance Obligation

The Group'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 ₹ 2,853 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 period ended 31 March, 2024

B. Contract Balances

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivables	29,733	33,986
Less: Allowances for Expected Credit loss	(5,352)	(7,308)
Total	**24,381**	**26,678**

28. Other Income	Year ended March 31, 2024	Year ended March 31, 2023
Interest income		
On Deposit with Bank and Others	569	225
On Inter corporate deposits	31	-
On Refund of Income Tax	132	158
On Unwinding of Other Financial Assests	140	89
Rental Income	13	53
Profit on Disposal of Property, Plant and Equipment, net	-	21
Liabilities no longer required - written back	141	1,684
Gain on Lease Modification, net	77	22
Gain on Sale of Mutual Funds, net	-	8
Miscellaneous Income, net	48	27
Total	**1,151**	**2,287**

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29. Operating Expenses	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Freight - Linehual services	69,018	66,790
Freight - First mile pickup and last mile delivery charges	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	2,040	1,259
Total	**1,11,625**	**1,05,954**

30 Changes in Inventories of Stock-in-Trade	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Opening Stock :		
Stock-in-trade	244	280
	244	**280**
Closing Stock:		
Stock-in-trade	(215)	(244)
	(215)	**(244)**
Decrease in Inventories of Stock-in-trade, net of allowances	**29**	**36**

31. Employee Benefit Expenses	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Salaries, Wages & Bonus	15,782	16,243
Contribution to Provident and other Funds	1,232	1,167
Share Based Payment Expenses (Refer note 58)	413	924
Staff Welfare Expenses	299	481
Total	**17,726**	**18,815**
Note:		

32. Finance Costs	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Interest Expenses		
On Term Loans and Working Capital Loans	1,102	1,251
On Lease Liabilities	1,897	1,650
On Public Deposits	3	30
Others	-	5
Total	**3,002**	**2,936**

33. Depreciation and Amortization Expense	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Depreciation on Property, Plant and Equipment (Refer Note 3A)	1,342	1,283
Depreciation on Right-of-use Asset (Refer Note 3B)	5,414	4,500
Amortisation of Intangible Assets (Refer Note 5)	138	138
Total	**6,894**	**5,921**

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34. **Other Expenses**	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Lease Rental	2,821	3,164
Office Maintianance	2,375	2,172
Professional and Consultancy Charges	1,762	1,511
Repairs and Maintenance		
Computers	1,045	889
Plant and Equipment	129	119
Vehicles	76	97
Buildings	5	16
Others	18	32
Management Fee	1,173	624
Electricity Expenses	911	849
Automation Network Expenses	667	600
Travel and Conveyance	558	570
Printing and Stationery	459	369
Advertisements	365	435
Rates and Taxes	170	417
Auditors' Remuneration (Refer Note 34.1)	97	68
Insurance	78	136
Telephone Expenses	52	49
Allowance for Expected Credit Loss	44	2,555
Directors' Sitting Fees *	30	9
Loss on Disposal of Property, Plant and Equipment, net	26	4
Charity and Donations	22	-
Foreign Exchange Loss, net	15	2
Corporate Social Responsiblity Expenditure (Refer Note 34.2)	13	12
Allowance for Other Financial Assets	11	30
Bad debts Written off-Others	10	124
Bad debts and Irrevocable Balances Written off	2,000	1,104
Less: Provision for loss allowances recognised in earlier years	(2,000)	(1,082)
Miscellaneous Expenses	988	889
Total	**13,919**	**15,764**

* Refer Note 45 for Related party information

34.1 **Auditors' Remuneration**	**Year ended March 31, 2024**	**Year ended March 31, 2023**
Statutory Audit fees	39	44
Limited review of quarterly results	21	20
Certification fees and other services	31	1
Reimbursement of out of Pocket Expenses	6	3
Total	**97**	**68**

34. Other Expenses (Continued)

34.2 Corporate Social Responsiblity 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 Group 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 ₹13 lakhs.

(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	-	-

35. Exceptional Items	Year ended March 31, 2024	Year ended March 31, 2023
Loss on write off of Property, Plant and Equipment, net (Refer Note a)	(27)	(792)
Impairment Reversed/(Charged) on Property, Plant & Equipment (Refer Note b)	50	(345)
Relinquishment of Corporate Guarantee (Refer Note c)	2,360	-
Net gain on disposal of non core assets (Refer Note d)	1,066	704
Impairment Reversed in the realisable value of Non-core Assets (Refer Note e)	-	529
Total	**3,449**	**96**

The Exceptional items (non-recurring) represents :

a) A loss on write off of ₹ 27 lakhs in Property, Plant and Equipment is on account of discardment of Property, Plant and Equipment which have outlived their useful life and those which are no longer required for business operations. (March 31, 2023 - ₹ 792 lakhs)

b) An impairment reversal of ₹ 50 lakhs was recorded this year, compared to a charge of ₹ 345 lakhs last year, reflecting the realisation in the fair value of Property, Plant & Equipment..

c) In January 2016, the Holding Company had issued a Corporate Guarantee to IDFC Bank Limited ('IDFC') on behalf of GI Hydro Private Limited (formerly GATI Infrastructure Private Limited ('GIPL')). In FY 2017-18, the Holding Company recorded a liability of Rs 2,360 lakhs due to the invocation of the Corporate Guarantee by IDFC. Subsequently, IDFC assigned all rights, title, and interests in financial assistance of GIPL to Edelweiss Asset Reconstruction Company Limited ('Edelweiss') under the SARFAESI Act, 2002.
During the current year, GIPL has raised funds by issuing bonds and repaid its debts to Edelweiss and thereby on January 12, 2024, Edelweiss has issued no-due certificate relinquishing the Corporate Guarantee issued by the Holding Company. Subsequently the case has been withdrawn. Accordingly, the Holding Company has reassessed its exposure and reversed the liability of Rs 2,360 lakhs during the current year. This has been treated as exceptional item (gain)

d) Net gain on the assets sold during the year which are disclosed as "Assets held for Sale" is of ₹ 1,066 lakhs (March 31, 2023 - ₹ 704 lakhs).

e) In the preivous financial year, ₹ 529 lakhs has been recorded as reversal of Impairment allowance basis on the realisable value of Non-core Assets.

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36. Tax Expenses	Year ended March 31, 2024	Year ended March 31, 2023
Profit Before Tax	(106)	530
Income Tax recognised in Statement of Profit and Loss		
Current Tax	235	1,313
Deferred Tax	(895)	347
Tax related earlier years	(58)	(39)
Total	**(718)**	**1,621**
Income Tax recognised in Other Comprehensive Income		
Deferred tax expenses on Re-Measurement gains/(losses) on defined benefit plans	(38)	(201)
Total	**(38)**	**(201)**
Grand Total	**(756)**	**1,420**

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

Profit before Tax	(106)	530
Applicable Tax Rate	25.17%	27.82%
Tax Expense	(27)	147
Tax Effect of :		
Write back of liabilities not claimed as deduction in the earlier years	(672)	-
Tax on capital gain	205	514
Brought forward losses utilised	(157)	-
Deffered tax not recoginsed	(18)	-
Expenses not deductible for tax purposes	10	4
Others	(59)	956
Tax Expense in Statement of Profit and Loss	**(718)**	**1,621**
Effective Tax Rate	676%	306%

36.2 During the current finanicial year, the Company opted to exercise the option under section 115 BBA of the Income Tax Act, 1961 as introduced by the Taxation laws (Amendment) Ordinance, 2019 and has taken 25.168% rate of corporate tax in its accounts.

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37. (A) Contingent liabilities and commitments

Contingent liabilities

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group 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 Group 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 Group 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.

(i)	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 ₹ 2,970 lakhs, previous year - ₹ 2,970 lakhs) [1]	4,082	4,095
	(ii)	Indirect Tax demand disputed in appeals (Includes amount paid under protest ₹ 91 Lakhs, previous year - ₹ 43 Lakhs) [2] [3] [4]	5,388	4,768
	(iii)	Others(#)	690	609
		Total	**10,160**	**9,472**

[1] The Group has ongoing disputes with income tax authorities in India and these disputes majorly related to tax treatment of certain expenses claimed as deduction, computation or eligibility of tax incentives and allowances. Accordingly the Group has recognised contingent liability in respect of the tax demands received from income tax authorities in India of Rs 4,082 Lakhs and Rs 4,095 Lakhs as at March 31, 2024 and March 31, 2023, respectively. Against these demands Group has paid Rs 2,970 lakhs under protest and adjustments thereon. These demand orders are being contested by the Group based on the management evaluation and advise of tax consultants.

[2] Indirect taxes related matters:

Nature of Indirect taxes	Amount	Period to which amount pertains	Status
Service Tax	4,445	2009 - 2017	The Group has received various demand notices from Commissionere of Service Tax towards non payment of service tax on freight forwarding services, non payment of service tax on voyage charter service excess availment of Cenvat credit which are being contested by the Group based on the management evaluation and advice of tax consultants.
Goods and Service tax	557	2017 - 2020	The Group has received various demand notices for a sum of Rs 557 lakhs for FY 2017-18 & 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	386	2013 - 2018	The Group has received various demand notices for a sum of Rs 386 lakhs from Assistant Commissioner, Commercial Tax, Mathur and Haryana 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	**5,388**		

[3] The Group has received a show cause notice on GST tax matters from the "Office of the Commissioner of Central Tax Audit, Bengaluru Audit – II". The Group has evaluated the legal position internally in respect of the same and believes that it has a strong case and hence no adjustment are required in the Financial Statements

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

The Group 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 Group believes that none of the contingencies described above would have a material adverse effect on the Group's financial condition, results of operations or cash flows. Pending resolution of the above proceedings, it is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments / decisions pending with various forums / authorities. Also, the Group does not expect any reimbursement in respect of the above contingent liabilities.

 # Other Claims

The Group is involved in legal proceedings, both as plaintiff and as defendant. There are claims which the Company does not believe to be of a material nature, other than those described below:

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37. (A) Contingent liabilities and commitments (Continued)

A) Neera Children Trust ('NCT') Vs. Gati Limited. & 29 Ors. (NCLT 535 of 2019), NCLT Hyderabad

Neera Children Trust (NCT) has filed a case alleging oppression and mismanagement against Gati Limited, its promoters, and directors, with the case currently under the purview of the National Company Law Tribunal (NCLT) in Hyderabad. Various Interim Applications (IAs) have been submitted by different parties during the proceedings, addressing matters such as maintainability, waiver, the legality of postal ballots, shifting the registered office, and adding other respondents. In one significant development. Gati Limited filed an IA requesting the relocation of its registered office from Telangana to Maharashtra, which was granted by the NCLT on April 25, 2023.

As the litigation proceeds, Allcargo Gati Limited's counter to the interim reliefs sought by NCT has been recorded, and the main petition is scheduled for a hearing on June 24, 2024. The case has seen six IAs filed by various parties, focusing on issues of maintainability, waiver, the legality of the postal ballot, the shifting of the head office, and the addition of other respondents. According to the assessment by the learned counsel, there is a high possibility of obtaining a favorable order in this case. However, the final resolution and its potential impact on Gati Limited's financial position depend on the NCLT's final verdict.

Until the NCLT reaches a decision, the ultimate impact on Allcargo Gati Limited's financial standing cannot be determined with certainty. The Company is committed to monitoring the proceedings closely and will assess any potential financial implications as they arise.

(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 & 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 Group is in compliance with same. The Group 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 Group 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 Group envisages that the impact of the above would not be material.

38. Disclosure as required under Ind AS 19 on Employee Benfits:

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	(2,535)	(2,361)
Fair value of plan assets	59	36
Net defined benefit liability recognised	**(2,476)**	**(2,325)**

Defined contribution

The expense for defined contribution plans amounted to ₹ 888 lakhs and ₹ 930 lakhs for the year ended March 31, 2024 and March 31, 2023 respectively.

Defined benefits - Gratuity

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

These defined benefit plans expose the Group to actuarial risks, such as currency risk, interest risk and market (investment) risk. The Group expects to contribute ₹ 868 lakhs to Gratuity Fund in the next year.

Defined benefits - Compensated absences

The Group's 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 Groups policy. The Group's 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 Group's towards this obligation was ₹ 799 lakhs and ₹ 912 lakhs as at March 31, 2024 and March 31, 2023, respectively.

Inherent risk

The plan is defined benefit in nature which is sponsored by the Group and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Group, 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.

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38. Disclosure as required under Ind AS 19 on Employee Benfits (Continued)

The following tables analyse present value of defined benefit obligations, expense recognised in Consolidated 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	2,361	1,671
(b)	Current service cost	209	161
(c)	Interest on defined obligations	141	82
(d)	Benefits paid	(332)	(346)
(e)	Benefit payments directly by employer	-	(15)
(f)	Acquisition / Divestiture	2	
(g)	Actuarial (gains)/ losses recognised in other comprehensive income		
	change in demographic assumptions	4	(15)
	change in financial assumptions	(140)	(79)
	experience adjustments	290	902
	Balance at the end of the year	**2,535**	**2,361**
(II)	**Reconciliation of fair value of plan assets**		
(a)	Balance at the beginning of the year	36	198
(b)	Actual return on plan assets	2	11
(c)	Investment Income	-	(5)
(d)	Contributions by the employer	350	178
(e)	Benefits paid	(332)	(346)
(f)	Actuarial (gains)/ losses on plan assets	3	-
	Balance at the end of the year	**59**	**36**
(III)	**Gratuity cost recognised in Statement of Profit or Loss**		
(a)	Current service cost	209	161
(c)	Interest on defined obligations	141	82
(b)	Interest income on plan assets	(2)	(11)
	Gratuity cost recognised in Statement of Profit or Loss	**348**	**232**
(IV)	**Remeasurements recognised in Other Comprehensive Income**		
(a)	Actuarial gain / (loss) on defined benefit obligation	154	808
(b)	Actuarial (gain) / loss on plan assets	(3)	5
	Amount recognised in Other Comprehensive Income	**151**	**813**

		As at March 31, 2024	**As at March 31, 2023**
(V)	**Net Asset/ (Liability) recognised in the Balance Sheet**		
(a)	Present value of defined benefit obligation	(2,535)	(2,361)
(b)	Fair value of plan assets	59	36
	Net defined benefit obligations in the Balance Sheet	**(2,476)**	**(2,325)**

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

		Year ended March 31, 2024	**Year ended March 31, 2023**
(VII)	**Actuarial assumptions**		
	Principal actuarial assumptions at the reporting date (expressed as weighted averages)		
(a)	Discount rate	7.17%	7.3% - 7.31%
(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	8% - 31.25%	10% - 36%

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

38. Disclosure as required under Ind AS 19 on Employee Benfits (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	Increase
(a)	Discount rate (1% movement)	(58)	61	(47)	52
(b)	Future salary growth (1% movement)	70	(68)	59	(54)
(c)	Withdrawal assumption (1% movement)	1	(1)	1	2

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	868	862
2 to 5 years	1,625	1,532
6 to 10 years	484	363
More than 10 years	83	48

Defined Contribution	Year ended March 31, 2024	Year ended March 31, 2023
Provident/Pension Fund	816	829
Superannuation Fund	2	3
Employee State Insurance	70	98
Total	888	930

39. Segment information

A. Basis for segmentation

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

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

Reportable segments	Operations
Express Distribution & Supply Chain	Covers integrated cargo services - Road, Air transportation, E-commerce logistics and supply chain solutions
Fuel Stations	Covers fuel stations dealing in petrol, diesel and lubricants, etc.

B. Information about reportable segments

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

Summary of Segment Information for the year ended March 31, 2024 and March 31, 2023 is as follows:

1. Segment Revenue (Net Sales / Income from each Segment)	Year ended March 31, 2024	Year ended March 31, 2023
a) Express Distribution & Supply Chain	1,47,433	1,46,592
b) Fuel Station	21,915	25,444
c) Unallocated	451	281
Total	**1,69,799**	**1,72,317**
Less: Inter Segment Revenue	-	-
Total Revenue from Operations	**1,69,799**	**1,72,317**

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39. Segment information (Continued)

2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)	Year ended March 31, 2024	Year ended March 31, 2023
a) Express Distribution & Supply Chain	(448)	3,745
Less: Exceptional Items - Income/(expense)	-	(807)
Total (A)	**(448)**	**2,938**
b) Fuel Station	243	378
Less: Exceptional Items - Income/(expense)	-	-
Total (B)	**243**	**378**
Total (A+B)	**(205)**	**3,316**
Add Less: (i) Finance Cost	(3,002)	(2,936)
(ii) Other un-allocated Income (expense), net	(348)	(753)
(iii) Exceptional Items - Income/(expense), net	3,449	903
Profit/(Loss) Before tax	**(106)**	**530**
Less: Tax Expenses	(718)	1,621
Profit after Tax as per statement of profit and loss	**612**	**(1,091)**

3. Segment Assets and Liabilities	As at March 31, 2024	As at March 31, 2023
Segment Assets		
a) Express Distribution & Supply Chain	67,280	58,363
b) Fuel Stations	1,191	1,175
c) Unallocated	63,873	68,932
Total Assets	**1,32,344**	**1,28,470**
Segment Liabilities		
a) Express Distribution & Supply Chain	61,569	56,629
b) Fuel Stations	45	46
c) Unallocated	716	2,984
Total Liabilities	**62,330**	**59,659**
Capital Employed	**70,014**	**68,811**

4. Depreciation and Amortization Expense	Year ended March 31, 2024	Year ended March 31, 2023
a) Express Distribution & Supply Chain	6,882	5,908
b) Fuel Stations	12	13
Total	**6,894**	**5,921**

5. Significant Non - Cash Expenditure	Year ended March 31, 2024	Year ended March 31, 2023
a) Express Distribution & Supply Chain	1,198	2,969
b) Fuel Stations	13	-
Total	**1,211**	**2,969**

6. Captial Expenditure	Year ended March 31, 2024	Year ended March 31, 2023
a) Express Distribution & Supply Chain	1,382	3,613
b) Fuel Stations	5	36
Total	**1,387**	**3,649**

C. Geographical Information

1. Revenue from External Customers	Year ended March 31, 2024	Year ended March 31, 2023
a) India	1,69,799	1,72,317
b) International	-	-
Total	**1,69,799**	**1,72,317**

2. Segment Non Current assets *	As at March 31, 2024	As at March 31, 2023
a) India	73,826	69,719
b) International	-	-
Total Assets	**73,826**	**69,719**

* Non Current Assets are excluding Income Tax Assets, Deferred Tax Asset, net

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		As at March 31, 2024	As at March 31, 2023
40.	**Due to Micro Enterprises and Small Enterprises**		
(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 and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

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

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42. 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	Carrying Amount					Fair value			
	FVTPL	FVOCI	Other Financial Assets at Amortised Cost	Other Financial Liabilities at Amortised Cost	Total Carrying Amount	Level 1	Level 2	Level 3	Total
Financial Assets									
Other Financial Assets (Refer Note 7 & 14)		-	3,658	-	3,658	-	-	-	-
Trade Receivables (Refer Note 12)	-	-	24,381	-	24,381	-	-	-	-
Cash and Cash Equivalents (Refer Note 13A)	-	-	8,863	-	8,863	-	-	-	-
Other Bank Balances (Refer Note 13B)	-	-	8,676	-	8,676	-	-	-	-
Total	-	-	**45,578**	-	**45,578**	-	-	-	-
Financial Liabilities									
Borrowings (Refer Note 20 & 23)	-	-	-	14,425	14,425	-	-	-	-
Trade Payables (Refer Note 24)	-	-	-	8,839	8,839	-	-	-	-
Other Financial Liabilities (Refer Note 25)	-	-	-	9,665	9,665	-	-	-	-
Total	-	-	-	**32,929**	**32,929**	-	-	-	-

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

Particulars	Carrying Amount					Fair value			
	FVTPL	FVOCI	Other Financial Assets at Amortised Cost	Other Financial Liabilities at Amortised Cost	Total Carrying Amount	Level 1	Level 2	Level 3	Total
Financial Assets									
Other Financial Assets (Refer Note 7 & 14)	-	-	3,478	-	3,478	-	-	-	-
Trade Receivables (Refer Note 12)	-	-	26,678	-	26,678	-	-	-	-
Cash and Cash Equivalents (Refer Note 13A)	-	-	1,893	-	1,893	-	-	-	-
Other Bank Balances (Refer Note 13B)	-	-	7,759	-	7,759	-	-	-	-
Total	-	-	**39,808**	-	**39,808**	-	-	-	-
Financial Liabilities									
Borrowings (Refer Note 20 & 23)	-	-	-	12,450	12,450	-	-	-	-
Trade Payables (Refer Note 24)	-	-	-	9,515	9,515	-	-	-	-
Other Financial Liabilities (Refer Note 25)	-	-	-	13,084	13,084	-	-	-	-
Total	-	-	-	**35,049**	**35,049**	-	-	-	-

B. Measurement of fair values

i. Valuation techniques and significant unobservable inputs

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

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

ii. Level 1 fair values

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

Particulars	Fair values Equity
Balance at March 31, 2022	**1,011**
Current Investments during the year	100
Net Gain on investments measured at FVTPL	8
Equity Investments through Other Comprehensive Income	-
Sale proceeds of Non-Current Investments	(1,119)
Balance at March 31, 2023	-
Current Investments during the year	-
Net Gain on investments measured at FVTPL	-
Equity Investments through Other Comprehensive Income	-
Sale proceeds of Non-Current Investments	-
Balance at March 31, 2024	-

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.

C. Financial risk management

The Group's has exposure to the following risks arising from financial instruments:

(i) Credit risk

(ii) Liquidity risk

(iii) Market risk

Risk management framework

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

The Group's activities expose it to credit risk, liquidity risk and market risk. The Group's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Group'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 Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, 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 Group's activities.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

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

(a) Trade receivables

As per simplified approach, the Group 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 Group uses expected credit loss model to assess the impairment loss or gain in accordance with Ind AS 109. The Group uses a provision matrix to compute the credit loss allowance for trade receivables

The movement of Trade Receivables and Expected Credit Loss are as follows :

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivables (Gross)	29,733	33,986
Less: Allowance for Expected Credit Loss	(5,352)	(7,308)
Trade Receivables (Net)	**24,381**	**26,678**

Reconciliation of Expected Credit Loss (Trade receivables)	Amount
Expected Credit loss as at March 31, 2022	**5,835**
Allowance for Expected Credit Loss	2,555
Bad debts and Irrecoverable Balances Written off	(1,082)
Expected Credit loss as at March 31, 2023	**7,308**
Allowance for Expected Credit Loss	44
Bad debts and Irrecoverable Balances Written off	(2,000)
Expected Credit loss as at March 31, 2024	**5,352**

(b) Loans and Advances

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

Particulars	As at March 31, 2024	As at March 31, 2023
Other Advances Receivables (Gross)	3,003	3,130
Less: Expected Credit Loss	(1,911)	(2,327)
Loans and advances (Net)	**1,092**	**803**

Reconciliation of Loss Allowance on Advances	Amount
Expected Credit Loss as at March 31, 2022	**2,321**
Allowance for Expected Credit Loss	6
Expected Credit Loss as at March 31, 2023	**2,327**
Allowance for Expected Credit Loss	(416)
Expected Credit Loss as at March 31, 2024	**1,911**

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 Group 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 Group'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 Group's liquidity position through rolling forecasts on the basis of expected cash flows. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required; such credit facilities are reviewed at regular intervals. Thus, no liquidity risk is perceived at present.

The Group'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 Group'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 cash flows			
		Total	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	14,425	14,425	14,425	-	-
Trade Payables	8,839	8,839	8,839	-	-
Other Financial Liabilities	9,665	9,665	9,665	-	-
Total	**32,929**	**32,929**	**32,929**	-	-

March 31, 2023	Carrying Amount	Contractual cash flows			
		Total	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	12,450	12,450	12,449	1	-
Trade Payables	9,515	9,515	9,515	-	-
Other Financial Liabilities	13,084	13,084	13,084	-	-
Total	**35,049**	**35,049**	**35,048**	**1**	-

(iii) Floating exchange rate and Interest risk:

Floating exchange rate

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

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The total unhedged foreign currency exposure at the year end towards Trade Receivable & Trade Payable is ₹ 9 Lakhs (Previous year ₹ 2 Lakhs) and ₹ 24 Lakhs (Previous Year ₹ 3 Lakhs) respectively. The Group does not have significant foreign currency exposure and hence, is not exposed to any significant foreign currency risk.

Interest rate risk

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

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

The interest rate profile of the Group 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		
Term Loan From Banks	-	11
Deposits from Public	-	99
	-	**110**
Variable rate instruments		
Financial Liabilities		
Cash Credit	14,425	12,340
	14,425	**12,340**
Total	**14,425**	**12,450**

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 - decrease by 100 basis points	144	123	144	123
Variable rate instruments - increase 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.

Equity risk

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

43. Capital management

The Group'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 Group monitors the return on capital, as well as the level of dividends to equity shareholders. The Group 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 Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders and debt includes borrowings.

The Group 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 Borrowings)	14,425	12,450
Less:		
Cash and Cash Equivalents	(8,863)	(1,893)
Bank Balances other than Cash and Cash Equivalents	(8,676)	(7,759)
Net Debt	**(3,114)**	**2,798**
Equity	63,545	61,467
Debt to Equity ratio	(0.05)	0.05

44. Earning Per Share	Year Ended March 31, 2024	Year Ended March 31, 2023
Net profit after tax attributable to equity shareholders	1,453	(928)
Weighted Basic average number of shares outstanding (Nos.)	13,01,86,061	12,54,41,055
Weighted Diluted average number of shares outstanding (Nos.)	13,12,58,292	12,54,41,055
Basic & Diluted EPS *		
Basic Earnings Per Share (In ₹)	1.12	(0.74)
Diluted Earnings Per Share (In ₹)	1.12	(0.74)
Nominal value of shares outstanding (In ₹)	2	2

In the current year, in the computation of Diluted EPS, the Company has considering diluted weighted average shares of 10,72,231 shares (ESARs).

In previous year, in the computation of Diluted EPS, after considering diluted weighted average shares of 12,59,130 share (ESARs), it was determined that the EPS is anti-dilutive. As a result we have treated Basic EPS as Diluted EPS

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45. Related Party Disclosures

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

i)	**Parent Company**	1. Allcargo Logistics Limited	
ii)	**List of Directors & Key Managerial Personnel**	1. Mr Shashi Kiran Shetty	– Chairman and Mangaing Director
		2. Mr Yasuhiro Kaneda	– Nominee Director (Resigned w.e.f July 01, 2022)
		3. Mr Kaiwan Kalayaniwalla	-- Director
		4. Ms. Cynthia D'Souza	– Independent Director (Resigned w. e. f. June 08, 2023)
		5. Mr. Dinesh Kumar Lal	– Independent Director
		6. Mr. Yasuyuki Tani	– Nominee Director (Resigned w.e.f. June 08, 2023)
		7. Mr. Nilesh Shivji Vikamsey	– Independent Director
		8. Ms. T S Maharani	– Company Secretary and Compliance Officer
		9. Mr. Pirojshaw Sarkari (Phil)	– Stepped down as CEO w.e.f. May 31, 2023 and appointed as Director w. e. f. June 08, 2023)
		10. Mr. Anish Mathew	– Chief Financial Officer (Appointed w.e.f Feb 04, 2022)
		11. Mr. Adarsh Hegde	– Executive Director (Resigned w.e.f May 31 , 2023)
		12. Mr Hetal Madhukant Gandhi	– Independent Director (Appointed w. e. f. June 09, 2023)
		13. Mr Ravi Jakhar	– Director (Appointed w.e.f. June 09, 2023)
		14. Ms Vinita Dang Mohoni	– Independent Director (Appointed w. e. f. June 17, 2023)
		15. Mr. R Ramachandran	– Independent Director (resigned w.e.f. April 27, 2022)
		16. Ms. Sheela Bhide	– Independent Director (resigned w. e. f. June 08, 2023)
iii)	**Fellow Subsidiaries**	1. Allcargo Inland Park Private Limited	
		2. Comptech Solutions Private Limited	
		3. Allcargo Supply Chain Private Limited *	
		4. Gati Cargo Express (Shanghai) Co. Limited	
		5. Allcargo Logistics Park Private Limited	
		6. Allcargo Multimodal Private Limited #	
		7. Prism Global Limited	
		8. Allcargo Terminals Ltd	
		9. AGL Warehousing Private Limited	
		10. Allcargo Corporate Services Pvt Ltd	
		11. ECU Hold NV	
		12.Gati Hong Kong Limited	
		12. Allcargo Belgium N.V.	
iv)	**Associate**	1. Gati Ship Limited	
v)	**Entities in which significant influence exists**	1. Talentos (India) Private Limited	
		2. Conserve Buildcon LLP (w.e.f Nov 01, 2022)	
		3.National Institute of Industrial Engineering (w.e.f March 17, 2022)	
vi)	**Entities under common influence with the Company**	1. Kintetsu World Express (India) Private Limited **	

*Avvashya Supply Chain Private Limited was demerged from Avvashya CCI 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 07, 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 Transaction	Key Managerial Personnel (KMP) & Relatives		Fellow Subsidiaries & Entities in which having significant influence and common influence		Parent Company		Total	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
a)	**EXPENDITURE**								
	Lease Rentals								
	Allcargo Logistics Limited	-	-	-	-	17	7	17	7
	Allcargo Inland Park Private Limited	-	-	-	(9)	-	-	-	(9)
	Allcargo Multimodal Private Limited #	-	-	378	378	-	-	378	378
	Allcargo Supply Chain Private Limited *	-	-	98	115	-	-	98	115
	Comptech Solutions Private Limited	-	-	50	42	-	-	50	42
	Talentos (India) Private Limited	-	-	127	45	-	-	127	45
	AGL Warehousing Private Limited	-	-	9	-	-	-	9	-
		-	**-**	**662**	**571**	**17**	**7**	**679**	**578**
	Freight Expenses								
	Allcargo Logistics Limited	-	-	-	-	-	2	-	2
		-	**-**	**-**	**-**	**-**	**2**	**-**	**2**
	Other Expenses								
	Allcargo Supply Chain Private Limited *	-	-	2	3	-	-	2	3
	Conserve Buildcon LLP	-	-	242	100	-	-	242	100
	Allcargo Logistics Limited	-	-	-	-	-	33	-	33
	Prism Global Limited	-	-	-	16	-	-	-	16
	'National Institute of Industrial Engineering	-	-	-	1	-	-	-	1
	Kintentsu World Express (India) Private Limited **	-	-	3	16	-	-	3	16
	Allcargo Multimodal Private Limited #	-	-	94	91	-	-	94	91
	Comptech Solutions Private Limited	-	-	5	6	-	-	5	6
	ECU Hold NV	-	-	-	0	-	-	-	0
		-	**-**	**346**	**233**	**-**	**33**	**346**	**266**
	Remuneration-Short term employee benefits							-	-
	Mr. Adarsh Hedge	25	150	-	-	-	-	25	150
	Ms. T S Maharani	40	39	-	-	-	-	40	39
	Mr.Pirojshaw A Sarkari	375	288	-	-	-	-	375	288
	Mr Anish T Mathew	141	99	-	-	-	-	141	99
		581	**576**	**-**	**-**	**-**	**-**	**581**	**576**
	Management Fees								
	Allcargo Supply Chain Private Limited *	-	-	282	140	-	-	282	140
	Allcargo Logistics Limited	-	-	-	-	766	502	766	502
	Allcargo Corporate Services Private Ltd	-	-	119	-	-	-	119	-
		-	**-**	**401**	**140**	**766**	**502**	**1,167**	**642**

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

ALLCARGO GATI LIMITED HYDERABAD

(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 Transaction	Key Managerial Personnel (KMP) & Relatives		Fellow Subsidiaries & Entities in which having significant influence and common influence		Parent Company		Total	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
	Directors Sitting Fee-Short term employee benefits								
	Ms. Cynthia D'Souza	0	1	-	-	-	-	0	1
	Mr. Dinesh Kumar Lal	10	3	-	-	-	-	10	3
	Mr. Nilesh Shivji Vikamsey	9	4	-	-	-	-	9	4
	Ms. Sheela Bhide	1	1	-	-	-	-	1	1
	Mr. R Ramachandran	-	-	-	-	-	-	-	-
	Vinita Dang Mohoni	5	-	-	-	-	-	5	-
	Mr Hetal Madhukant Gandhi	5	-	-	-	-	-	5	-
		30	**9**	**-**	**-**	**-**	**-**	**30**	**9**
	Capitalization								
	Conserve Buildcon LLP	-	-	-	492	-	-	-	492
		-	**-**	**-**	**492**	**-**	**-**	**-**	**492**
b)	**INCOME**								
	Freight								
	Kintentsu World Express (India) Private Limited **	-	-	213	1,362	-	-	213	1,362
	Gati Cargo Express (Shanghai) Co. Limited	-	-	26	18	-	-	26	18
	Allcargo Logistics Park Private Limited	-	-	-	-	-	-	-	-
	Allcargo Supply Chain Private Limited *	-	-	8	1	-	-	8	1
	Allcargo Logistics limited	-	-	-	-	4	9	4	9
		-	**-**	**247**	**1,381**	**4**	**9**	**251**	**1,390**
	Warehouse Income								
	Allcargo Supply Chain Private Limited*	-	-	16	20	-	-	16	20
	Kintentsu World Express (India) Private Limited	-	-	1	6	-	-	1	6
	Gati Cargo Express (Shanghai) Co. Limited	-	-	53	71	-	-	53	71
		-	**-**	**70**	**97**	**-**	**-**	**70**	**97**
	Management Fees								
	Allcargo Logistics Limited	-	-	-	-	134	191	134	191
	Allcargo Supply Chain Private Limited *	-	-	317	91	-	-	317	91
		-	**-**	**317**	**91**	**134**	**191**	**451**	**282**
	Rent								
	Gati Ship Limted	-	-	1	-	-	-	1	-
		-	**-**	**1**	**-**	**-**	**-**	**1**	**-**
	Interest Income								
	Allcargo Supply Chain Private Limited *	-	-	31	-	-	-	31	-
		-	**-**	**31**	**-**	**-**	**-**	**31**	**-**
	Sale of Assets								
	Allcargo Logistics Limited	-	-	-	-	-	23	-	23
	Allcargo Supply Chain Private Limited *	-	-	1	-	-	-	1	-
		-	**-**	**1**	**-**	**-**	**23**	**1**	**23**

(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	Parent 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
a)	**Trade Receivable**						
	Kintentsu World Express (India) Private Limited **	-	-	-	163	-	163
	Gati Cargo Express (Shanghai) Co Limited	-	-	23	40	23	40
	Allcargo Logistics Limited	8	11	-	-	8	11
		8	**11**	**23**	**203**	**31**	**214**
	Other Receivables						
	Allcargo Supply Chain Private Limited*	-	-	3	40	3	40
	Allcargo Logistics Limited	876	728	-	-	876	728
	Allcargo Corporate Services Pvt Ltd	-	-	-	-	-	-
	Gati Ship Limited	-	-	2	0	2	0
		876	**728**	**5**	**40**	**881**	**768**
b)	**Deposit Given**						
	Comptech Solutions Private Limited	-	-	24	24	24	24
	Talentos (India) Private Limited	-	-	31	23	31	23
	AGL Warehousing Private Limited	-	-	27	-	27	-
	Allcargo Multimodal Private Limited #	-	-	-	157	-	157
		-	**-**	**82**	**204**	**82**	**204**
c)	**Other Payables**						
	Allcargo Logistics limited	127	104	-	-	127	104
	Comptech Solutions Private Limited	-	-	-	5	-	5
	Kintentsu World Express (India) Private Limited **	-	-	-	3	-	3
	Allcargo Supply Chain Private Limited *	-	-	29	23	29	23
	Allcargo Multimodal Private Limited #	-	-	-	48	-	48
	Talentos (India) Private Limited	-	-	-	4	-	4
	Prism Global Limited	-	-	-	6	-	6
	Conserve Buildcon LLP	-	-	22	47	22	47
	AGL Warehousing Private Limited	-	-	36	-	36	-
	Allcargo Corporate Services Pvt Ltd	-	-	129	-	129	-
		127	**104**	**216**	**136**	**343**	**240**

(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	Parent 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
d)	**Investment held for sale**						
	Gati Ship Limited - Equity Shares	-	-	8,623	8,623	8,623	8,623
	Impairment on Gati Ship Limited - Equity shares	-	-	(8,623)	(8,623)	(8,623)	(8,623)
		-	-	-	-	-	-

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

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

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

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

(v) Post employement benefits are actuarially determined on overall basis and hence not seperately provided for the key managerial personnel.

(vi) Wherever amounts are "0" , the value is less than rupees fifty thousand.

S. R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

ALLCARGO GATI LIMITED * HYDERABAD

Allcargo Gati Limited (Formerly known as Gati Limited)
Notes to Consolidated Financial Statements as at and for the Year Ended March 31, 2024
(All amounts in Indian Rupees lakhs, unless otherwise stated)

46. The value of the Holding Company's investment in an associate had been fully provided in earlier years therefore the share of loss in that has not been considered in consolidated accounts.

47. During the current financial year, the Company had signed an out of court settlement with AIR India, pertaining to an ongoing legal matter before the Hon'ble Delhi High Court. As a result, the Company has received a sum of ₹ 42 lakhs towards the final settlement, which has been recognised as Other Income. Pursuant to the settlement, the Hon'ble Delhi High Court accepted the Company's petition for withdrawal of the case and released the original bank guarantee, amounting to ₹2,200 lakhs, which is equivalent to the disputed arbitral award. The mentioned bank guarantee has been released by the banking partner.

48. 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.

49. The Board of Directors in their meeting held on December 21, 2023 and Shareholders through postal ballot passed on February 05, 2024, approved to raise funds through various permissible modes, in accordance with applicable laws. The fund-raising will be conducted by issuing Equity Shares, equity-linked instruments, convertible preference shares, fully or partly convertible debentures, or through a composite issue of non-convertible debentures and warrants. Warrant holders will have the right to apply for equity shares or other eligible securities. The modes include private placement, qualified institutions placements, further public issues, preferential issues, rights issues, or any other permissible mode under applicable laws, or a combination thereof, up to Rs. 50,000 lakhs. The funds are intended for growth capital, expansion, capex, working capital, etc.

50. During the current year, the name of the Company has been changed to "Allcargo Gati Limited", pursuant to the approval of the Board of Directors vide their Meeting held on August 04, 2023 and the shareholders of the Company at the Annual General Meeting held on September 04, 2023. The Registrar of Companies, Telangana, approved and accordingly issued fresh certificate of incorporation pursuant to the change of the name w.e.f. October 19, 2023.

51. During the current financial 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.

52. The Board of directors in their meeting held on May 16, 2024 and May 19, 2023 has given the Company approval to explore the sale/disposal of fuel station business and an in-principle consent to transfer the fuel station business to one of its wholly owned subsidiary, Gati Projects Private Limited, respectively subject to consent from the respective Oil Marketing Companies and the necessary approvals from the shareholders of the Company.

53. There are no subsequent events after reporting date.

54. **Other statutory information**

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

Name of Company	Nature of transactions	Balance as at March 31, 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	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.

(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.

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ALLCARGO GATI LIMITED HYDERABAD

54. Other statutory information (Continued)

(iii) The Group has not advanced or loaned or invested funds to any other person or entity, 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.

(iv) The Group has not received any fund from any person or entity, including foreign entities (Funding Party) during current or previous financial year with the understanding (whether recorded in writing or otherwise) that the Group 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 to or on behalf of the Ultimate Beneficiaries.

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

(vi) 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

(vii) The Group 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.

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

55. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associates

Name of the Enterprise	2023-24							
	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit/(Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit/(Loss)	Amount	As % of Consolidated Profit/(Loss)	Amount	As % of Consolidated Profit/(Loss)	Amount
Holding Company								
Allcargo Gati Limited	105%	73,622	559%	3,417	-2%	2	685%	3,419
Subsidiaries								
Indian								
1. Gati Express & Supply Chain Private Limited (Formerly known as Gati Kintetsu Express Private Limited)	31%	21,562	-320%	(1,959)	71%	(80)	-409%	(2,039)
2. Gati Import Export Trading Limited	0%	43	-1%	(4)	0%	(0)	-1%	(4)
3. Zen Cargo Movers Private Limited	0%	(44)	0%	-	0%	-	0%	-
4. Gati Logistics Parks Private Limited	-2%	(1,446)	0%	(1)	0%	(0)	0%	(1)
5. Gati Projects Private Limited	0%	(4)	0%	(1)	0%	-	0%	(1)
		93,733		**1,453**		**(79)**		**1,374**
Inter Company Elimination and Consolidation Adjustment	-43%	(30,188)	0%	-	0%	-	0%	-
Sub Total		**63,545**		**1,453**		**(79)**		**1,374**
Non Controlling Interest in all Subsidiaries	9%	6,469	-138%	(841)	30%	(34)	-175%	(875)
Total	100%	**70,014**	100%	**612**	100%	**(113)**	100%	**499**

Name of the Enterprise	2022-23							
	Net Assets, i.e., Total Assets minus		Share in Profit/(Loss)		Share in Other Comprehensive		Share in Total Comprehensive	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit/(Loss)	Amount	As % of Consolidated Profit/(Loss)	Amount	As % of Consolidated Profit/(Loss)	Amount
Holding Company								
Allcargo Gati Limited	101%	69,503	50%	(543)	2%	(15)	33%	(558)
Subsidiaries								
Indian				-				
1. Gati Express & Supply Chain Private Limited (Formerly known as Gati Kintetsu Express Private Limited)	36%	24,479	35%	(380)	68%	(418)	47%	(798)
2. Gati Import Export Trading Limited	0%	47	0%	(5)	0%	-	0%	(5)
3. Zen Cargo Movers Private Limited	0%	(44)	0%	(3)	0%	-	0%	(3)
4. Gati Logistics Parks Private Limited	-2%	(1,445)	0%	(1)	0%	-	0%	(1)
5. Gati Projects Private Limited	0%	(3)	0%	(1)	0%	-	0%	(1)
		92,537		**(933)**		**(433)**		**(1,366)**
Inter Company Elimination and Consolidation Adjustment	-45%	(31,070)	0%	5	0%	-	0%	5
Sub Total		**61,467**		**(928)**		**(433)**		**(1,361)**
Non Controlling Interest in all Subsidiaries	11%	7,344	15%	(163)	29%	(179)	26%	(342)
Total	100%	**68,811**	100%	**(1,091)**	100%	**(612)**	100%	**(1,703)**

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CHARTERED ACCOUNTANTS

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56. **Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures**

PART "A": SUBSIDIARIES

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

Sl. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before taxation before exceptional items	Exceptional Items	Profit/(Loss) before taxation and exceptional Items	Provision for taxation	Profit/(Loss) after taxation	Proposed Dividend	% of shareholding
1	Gati Express & Supply Chain Private Limited #	April-March	INR	50	21,515	87,605	66,040	-	1,47,859	(4,243)	782	(3,461)	(660)	(2,801)	-	70% held by the Company
2	Gati Import Export Trading Ltd.	April-March	INR	230	(187)	187	144	-	-	(4)	-	(4)	-	(4)	-	100% held by the Company
3	Zen Cargo Movers Private Limited ^	April-March	INR	36	(80)	23	67	-	-	0	-	0	0	(0)	-	100% held by the Company
4	Gati Logistics Parks Private Limited	April-March	INR	1	(1,447)	0	1,446	-	0	(1)	-	(1)	-	(1)	-	100% held by the Company
5	Gati Projects Private Limited ^	April-March	INR	1	(5)	0	5	-	0	(1)	-	(1)	-	(1)	-	100% held by the Company

Names of the subsidiaries which are yet to commence operations

Sl. No.	Name of the companies
1	Gati Logistics Parks Private Limited
2	Gati Projects Private Limited

The accounts of the Subsidiary Companies have been audited by the respective statutory auditors and the financial statements of these Companies have been considered in the consolidation
^The accounts of the Subsidiary Companies have been certified by the management and the financial statements of these Companies have been considered in the consolidation.

PART "B": ASSOCIATES

Sl. No.	Name of the Associate/ Joint Venture	Latest audited Balance Sheet date	Shares of Associate/ Joint Ventures held by the Company on the year end: No. of shares	Amount of Investment	Extent of holding %	Description of how there is a significant influence	Reason why the associate/joint venture is not consolidated	Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit/loss for the year: Considered in consolidation	Not considered in consolidation
1	Gati Ship Limited	31-Mar-24	48,00,000	8,623	47.95%	There is no significant control over the Company. So the results are not consolidated.	The company ceases to have significant control after the sale of stake of 12.09% on May 16, 2014. Hence the same is not considered in	50	-	(1)

57. The Subsidiary Companies considered in the Financial Statements are as follows:

Sl. No.	Name of the subsidiary	Country of Incorporation	% Voting Power as at March 31, 2024	% Voting Power as at March 31, 2023
1	Gati Express & Supply Chain Private Limited (Formerly known as Gati Kintetsu Express Private Limited)	India	70%	70%
2	Gati Import Export Trading Limited	India	100%	100%
3	Zen Cargo Movers Private Limited	India	100%	100%
4	Gati Logistics Parks Private Limited	India	100%	100%
5	Gati Projects Private Limited	India	100%	100%

58. Employee share-based payment:

The Holding Company has formulated employee share-based payment schemes with objective to attract and retain talent and align the interest of employees with the Group as well as to motivate them to contribute to its growth and profitability. The Group view employee stock options as instruments that would enable the employees to share the value they create for the Group in the years to come. For the year ended March 31, 2024 the Group recognised total expenses of ₹ 413 lakhs (March 31, 2023 ₹ 924 lakhs) related to Share based Payment schemes.

The Nomination and Remuneration Committee of the Board of Directors of the Company during the FY 2023-24 have granted 9,50,000 ESARs to the Employees of its Holding Company and Subsidiary Company. The necessary accounting for the above has been made in the books of accounts in the respective periods. Furthermore, the Nomination and Remuneration Committee of the Board of Directors of the Company vide its meeting held on March 07, 2024 have granted 5,25,000 ESARs to the Employees Subsidiary Company w.e.f April 01, 2024. At present, following employee share-based payment scheme is in operation, details of which are given below:

A) Details of ESAR grants are summarised below -

S.No.	Description	Year ended March 31, 2024	Year ended March 31, 2023
1	Date of shareholders' approval	January 27, 2022	January 27, 2022
2	Total number of options approved under ESARs scheme	42,00,000	42,00,000
3	Vesting requirements	Vesting period of one year but not later than 4 years from the date of grant	Vesting period of one year but not later than 4 years from the date of grant
4	Exercise price or pricing formula	The Exercise Price per ESAR shall be the Market Price of the Shares of the Company discounted by such percentage not exceeding 50% to be determined by the Committee from time to time has context menu	The Exercise Price per ESAR shall be the Market Price of the Shares of the Company discounted by such percentage not exceeding 50% to be determined by the Committee from time to time has context menu
5	Maximum term of options granted	9 years from the date of Grant	9 years from the date of Grant
6	Source of shares (primary, secondary or combination)	Primary	Primary
7	Variation of terms of options	No Variations	No Variations
8	Method used to account for ESOS - Intrinsic or fair value	Fair Value Method	Fair Value Method

S. No.	Description	Year ended March 31, 2024	Year ended March 31, 2023
1	Number of options outstanding at the beginning of the year	28,80,000	-
2	Number of options granted during the year	9,50,000	31,05,000
3	Number of options forfeited lapsed during the year	8,07,500	2,25,000
4	Number of options vested during the year	8,64,000	-
5	Number of options exercised during the year	2,85,000	-
6	Number of shares arising as a result of exercise of options	1,21,910	NA
7	Amount realized by exercise of options (Rs.)	2,43,820	-
8	Number of options outstanding at the end of the year (out of total number of options approved under scheme)	27,37,500	28,80,000
9	Number of options exercisable at the end of the year (out of total number of options approved under scheme)	27,37,500	28,80,000

10 Description of the method and significant assumptions used during the year to estimate the fair value of the options, including the following weighted average information

The Black Scholes option-pricing model was developed for estimating fair value of traded options that have no vesting restrictions and are fully transferable. Since option-pricing models require use of substantive assumptions, changes therein can materially affect fair value of options. The option pricing models do not necessarily provide a reliable measure of fair value of options.

11 **The fair value has been calculated using the Black Scholes Option Pricing model. The assumptions used in the model are as follows:**

	Grant-4	Grant-3	Grant-2	Grant-1
Stock Options granted on	July 31, 2023	June 1, 2023	April 1, 2023	April 1, 2022
Weighted average exercise price (in ₹)	85.00	85.00	85.00	85.00
Weighted average Fair value (in ₹)	95.27	70.75	58.93	114.56
Volatility (%)	53.98%	53.18%	53.64%	54.80%
Dividend yield (%)	0.00%	0.00%	0.00%	0.00%
Life of Options granted (Years)	4.51	5.01	5.01	5.01
Risk free interest rate (%)	7.04%	6.82%	7.14%	6.15%

12 The volatility used in the Black-Scholes option-pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is commensurate with the expected life of the options and is based on the daily volatility of the Company's stock price on NSE.

13 There are no market conditions attached to the grant and vest.

S.R. BATLIBOI & ASSOCIATES LLP
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ALLCARGO GATI LIMITED
HYDERABAD

59. The Holding Company and Gati Express and Supply Chain Private Limited financial (subsidiary) has used six 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 three accounting softwares wherein this feature was enabled from specific date and in case of one software audit trail is not enabled for direct changes to data when using certain access rights 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.
Fuel Plus	Audit trail at application layer is enabled from December 13, 2023. Audit trail at Database layer was not enabled.

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

The Company's other four subsidiaries, has used accounting software for maintaining its books of account which does not have the feature of recording audit trail (edit log) facility, which are not material to the Group

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 Allcargo Gati Limited
(formerly known as Gati Limited)
CIN: L63011MH1995PLC420155

Shashi Kiran Shetty
Chairman & Managing Director
DIN: 00012754

Pirojshaw Sarkari
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

Place: Hyderabad
Date: May 16, 2024

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel : +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of Gati Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Gati Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31,2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 consolidated state of affairs of the Group as at March 31,2023, their consolidated losses including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated 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 Consolidated Financial Statements' section of our report. We are independent of the Group 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 Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

S.R. Batliboi & Associates LLP, a Limited Liability Partnership with LLP Identity No. AAB-4295
Regd. Office : 22, Camac Street, Block 'B', 3rd Floor, Kolkata-700 016

Key audit matters	How our audit addressed the key audit matter
Recoverability of trade receivables *(as described in Note 13 of the Consolidated Financial Statements)*	
The gross balance of trade receivables as at March 31, 2023 amounted to Rs. 33,986 Lakhs, against which the Group has recorded expected credit loss provision of Rs. 7,308 Lakhs. The collectability of trade receivables is a key element of the Group's working capital management. The Group has a formal policy for evaluation of recoverability of receivables and recording of impairment loss which is applied at every period-end. In accordance with Ind AS 109 'Financial Instruments', the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on trade receivables which is based on the historical credit loss experience, current conditions and forecasts of future conditions. In calculating expected credit loss, the Group has also considered customer accounts as well as experience with collection trends and current economic and business conditions. We considered this as key audit matter due to the materiality of the amounts and significant estimate and judgements as stated above.	Our audit procedures among other things included the following: • We obtained an understanding of the Group's policies, processes and financial controls relating to the monitoring of trade receivables and review of credit risks of customers, evaluated the design and tested the operating effectiveness of such controls. • We performed procedures to evaluate the management's assessment of recoverability of receivables including management's estimates and the inputs used for development of the ECL model, analysis of ageing of receivables, assessment of material overdue individual trade receivables and specific customer balances. • We circularized requests for balance confirmations on sample basis and examined responses. Performed alternate procedures where confirmations were not received. • We inspected relevant contracts and correspondences with the customers on sample basis, assessment of their creditworthiness with reference to publicly available information etc., where applicable. • We obtained evidence of receipts from customers after the period end on test check basis. • Performed journal entry testing to examine the manual entries including debit notes and credit notes on a sample basis. • We tested the mathematical accuracy and computation of the allowances by using the same input data used by the Group. We assessed the adequacy of the disclosures on the trade receivables in Note 13.
Impairment assessment of Goodwill *(as described in Note 4 of the Consolidated Financial Statements)*	
The Group has goodwill of Rs. 42,580 lakhs as at the balance sheet date. Goodwill is tested for impairment annually. Management has assessed and determined the recoverable amount based on judgments and key assumptions relating to identification of	Our audit procedures among other things included the following: • We obtained an understanding of the Group's processes and policies with respect to assessment of impairment, evaluated the design and tested the operating effectiveness of such controls.

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

Key audit matters	How our audit addressed the key audit matter
impairment indicators, revenue growth, operating margin, forecasts of future cashflows and discount rates applied to such cash flows. We considered this as key audit matter because the assumptions on which the tests are based are highly judgmental and are affected by future market and economic conditions which are inherently uncertain and because of the materiality of the balances to the Consolidated Financial Statements as a whole.	• We obtained and assessed the cash flow forecasts and evaluated the key assumptions and estimates used by Management in preparing these forecasts by comparing them with factors such as historical financial information and performing inquiries with Management. • We assessed objectivity and independence of external specialist engaged by the management for evaluation of recoverable value. We obtained and read the report of external specialist to understand the work performed on testing of key assumptions and estimates and their outcome of testing. • We involved our subject matter experts to assist in evaluating the valuation methodology, identifying and testing key assumptions and estimates and performing comparative calculations to test the reasonableness of key assumptions used in preparing the cash flow forecasts. • We also assessed the recoverable value by performing sensitivity testing of key assumptions used. • We tested the arithmetical accuracy of the calculations and assessed the accounting treatment applied and • We assessed whether the disclosures made in Consolidated Financial Statements, are in accordance with the requirements of the Indian Accounting Standards.
Assessment of carrying value of Assets held for sale *(as described in Note 17 of the Consolidated Financial Statements)*	
The Group has classified assets earmarked for disposal as Assets held for sales. Assets held for sales are carried at fair value or cost whichever is lower. The determination of the fair value of financial assets is considered to be a significant area in view of the materiality of amounts involved, judgements involved in selecting the valuation basis, use of unobservable inputs and non–binding offers from and negotiation held with prospective buyers as a result of which fair value is sensitive to change in input assumption. Accordingly, this matter has been determined to be a key audit matter in our audit of the Consolidated Financial Statements	Our audit procedures among other things included the following: • We obtained an understanding of the Group's internal financial controls relating to assessment of carrying amount of Assets held for sale, evaluated the design and tested the operating effectiveness of such controls. • We assessed objectivity and independence of external specialist engaged by the management for evaluation of recoverable value. We obtained and read the report of external specialist to understand the nature and scope of work performed including testing of key assumptions such as similar comparable properties value, discount rate, replacement cost and estimates and their outcome of testing.

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Key audit matters	How our audit addressed the key audit matter
	• We involved our subject matter experts to assess the reasonableness of the valuation methodology and underlying assumptions used by the management to arrive at the fair value of properties, on a sample basis. • We verified the agreements to sell and negotiations made with prospective buyer. • We assessed the appropriateness of disclosures made by the Group in accordance with Ind AS and Schedule III to Companies Act, 2013.

Other Information

The Holding 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 Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated 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 Consolidated Financial Statements, our responsibility is to read the other information and in doing so, consider whether such other information is materially inconsistent with the Consolidated 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.

Responsibilities of Management and Those charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated 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 Consolidated 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 Holding 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 ability of the Group 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 Consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of four Indian subsidiaries, whose financial statements include total assets of Rs 219.74 Lakhs as at March 31, 2023 and total revenues of Rs NIL and net cash outflows of Rs 35.65 Lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.

(b) The Consolidated Financial Statements of the Holding Company for the year ended March 31, 2022, included in these Consolidated Financial Statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 20,2022.

Our opinion above on the Consolidated Financial Statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

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, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, companies, incorporated in India, we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon 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 of the aforesaid Consolidated Financial Statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

S. R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

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

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

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, , none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiary companies, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company, its subsidiaries incorporated in India to their 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its Consolidated Financial Statements – Refer Note 38(i)(a) to the Consolidated Financial Statements;

ii. The Group, did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;

iii. Following are the instances of delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company

Period to which the amount relates	Amount (Rs in Lacs)	Delay in days	Remarks
FY 2007-08	0.32	3,106	Holding Company is in the process of depositing these amounts with Investor Education and Protection Fund.
FY 2008-09	0.51	2,740	
FY 2010-11	0.00	2,010	
FY 2011-12	0.67	1,645	
FY 2012-13	0.65	1,279	
FY 2013-14	1.27	914	
FY 2014-15	2.94	549	
FY 2015-16	7.79	184	
	14.16		

iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively 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 Holding Company or any of such subsidiaries, 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 respective Holding Company or any of such subsidiaries, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries, from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, 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 the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) No dividend has been declared or paid during the year by the Holding Company and its subsidiaries companies, incorporated in India.

vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company and its subsidiaries, companies incorporated in India, hence reporting under this clause is not applicable

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

S.R. BATLIBOI & ASSOCIATES LLP
MUMBAI
CHARTERED ACCOUNTANTS

per Aniket A Sohani
Partner
Membership No.: 117142
UDIN: 23117142BGYJBC1121
Mumbai
May 19, 2023.

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Gati Limited ("the Holding Company")

In terms of the information and explanations sought by us and given by the Holding 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:

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the Consolidated Financial Statements are:

S.No	Name	CIN	Holding company/ subsidiary	Clause number of the CARO report which is qualified or is adverse
1	Gati Limited	L63011TG1995PLC020121	Holding Company	Clause 3(i)(c) [1], Clause 3(vii)(a) [2]
2	Gati Kintetsu Express Private Limited	U62200MH2007PTC390900	Subsidiary	Clause 3(i)(c)[1]

[1] Clause pertains to title deeds of certain of immovable properties not held in name of the Companies.
[2] Clause pertains to undisputed statutory dues of certain statute not deposited for a period of more than six months.

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

per Aniket A Sohani
Partner
Membership No.: 117142
UDIN: 23117142BGYJBC1121
Mumbai
May 19, 2023.

S.R. BATLIBOI & ASSOCIATES LLP
MUMBAI
CHARTERED ACCOUNTANTS

ANNEXURE '2' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GATI LIMITED

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

In conjunction with our audit of the Consolidated Financial Statements of Gati Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 respective 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 Holding Company's internal financial controls with reference to Consolidated 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, 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 Consolidated 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 Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated 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 internal financial controls with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

A Company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately

S.R. BATLIBOI & ASSOCIATES LLP
MUMBAI
CHARTERED ACCOUNTANTS

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 Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated 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 Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Consolidated 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 Group , which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31,2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements of the Holding Company, in so far as it relates to four subsidiaries which are Companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

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

S.R. BATLIBOI & ASSOCIATES LLP
MUMBAI
CHARTERED ACCOUNTANTS

per Aniket A Sohani
Partner
Membership No.: 117142
UDIN: 23117142BGYJBC1121
Mumbai
May 19, 2023.

GATI LIMITED
Consolidated Balance Sheet as at March 31, 2023

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

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
Assets			
Non-Current Assets			
Property, Plant and Equipment	3A	7,262	6,664
Right-of-use Asset	3B	18,278	17,577
Goodwill	4	42,580	42,580
Other Intangible Assets	5	333	450
Intangible Assets under Development	6	59	59
Financial Assets			
Other Financial Assets	7	1,047	871
Deferred Tax Assets, net	8	2,635	2,781
Tax Assets, net	9	6,610	7,178
Other Non-Current Assets	10	160	169
		78,964	**78,329**
Current Assets			
Inventories	11	244	279
Financial Assets			
Investments	12	-	1,011
Trade Receivables	13	26,678	23,233
Cash and Cash Equivalents	14A	1,893	1,581
Other Bank Balances	14B	7,759	236
Other Financial Assets	15	2,431	1,772
Other Current Assets	16	3,113	3,328
Total current assets before assets held for sale		**42,118**	**31,440**
Assets Held for Sale	17	7,388	13,264
		49,506	**44,704**
Total Assets		**1,28,470**	**1,23,033**
Equity and Liabilities			
Equity			
Equity Share Capital	18	2,603	2,459
Other Equity	19	58,864	53,526
Non Controlling Interest		7,344	7,686
		68,811	**63,671**
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	20	1	854
Lease Liabilities	21	16,052	14,005
Other Financial Liabilities	22	-	12
Provisions	23	1,920	1,541
		17,973	**16,412**
Current Liabilities			
Financial Liabilities			
Borrowings	24	12,449	14,379
Lease Liabilities	21	3,575	3,196
Trade Payables	25		
(a) Total outstanding dues of Micro and Small Enterprises		1,128	1,570
(b) Total outstanding dues of creditors other than Micro and Small Enterprises		8,387	8,606
Other Financial Liabilities	26	13,084	12,217
Other Current Liabilities	27	1,742	2,453
Provisions	23	1,321	529
		41,686	**42,950**
Total Liabilities		**59,659**	**59,362**
Total Equity and Liabilities		**1,28,470**	**1,23,033**
Significant Accounting Policies	2		

The accompanying notes form an integral part of the Consolidated Financial Statements

As per our report of even date attached

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

Aniket A Sohani
Partner
Membership no: 117142

Place: Mumbai
Date: May 19, 2023

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of Gati Limited

Shashi Kiran Shetty
Chairman & Managing Director
DIN: 00012754

Pirojshaw Sarkari
Chief Executive Officer

GATI LIMITED HYDERABAD

Anish T Mathew
Chief Financial Officer
M. No. 211965

T S Maharani
Company Secretary
M No. F8069

Place: Hyderabad
Date: May 19, 2023

Place: Hyderabad
Date: May 19, 2023

GATI LIMITED

Consolidated Statement of Profit and Loss for the year ended March 31, 2023

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

Particulars	Notes	Year Ended March 31, 2023	Year Ended March 31, 2022
(I) INCOME			
Revenue from Operations	28	1,72,317	1,48,994
Other Income	29	2,287	1,530
TOTAL INCOME (I)		**1,74,604**	**1,50,524**
(II) EXPENSES			
Operating Expenses	30	1,05,954	92,696
Purchase of Stock-in-trade		24,744	22,162
Changes in Inventories of stock-in-trade	31	36	53
Employee Benefit Expense	32	18,815	15,805
Finance Costs	33	2,936	2,732
Depreciation and Amortisation Expense	34	5,921	3,492
Other Expenses	35	15,764	14,839
TOTAL EXPENSES (II)		**1,74,170**	**1,51,779**
(III) PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)		**434**	**(1,255)**
(IV) Exceptional Items	36	96	1,205
(V) PROFIT/(LOSS) BEFORE TAX (III+IV)		**530**	**(50)**
(VI) TAX EXPENSES	37		
Current Tax		1,313	231
Deferred Tax		347	(242)
Tax related to earlier years		(39)	404
TOTAL TAX EXPENSES		**1,621**	**393**
(VII) PROFIT/(LOSS) FOR THE YEAR (V-VI)		**(1,091)**	**(443)**
(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		(813)	(425)
b) Income tax effect on above items		201	105
OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX)		**(612)**	**(320)**
(IX) TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VII+VIII)		**(1,703)**	**(763)**
(X) Profit/(Loss) for the year		**(1,091)**	**(443)**
Attributable to:			
Owners of the company		(928)	887
Non-Controlling Interests		(163)	(1,330)
Total comprehensive income for the year		**(1,703)**	**(763)**
Attributable to:			
Owners of the company		(1,361)	661
Non-Controlling Interests		(342)	(1,424)
EARNINGS PER EQUITY SHARE	45		
[Nominal value per share ₹ 2/- (March 31,2022: ₹ 2/-)]			
Basic (in ₹)		(0.74)	0.72
Diluted (in ₹)		(0.74)	0.71
Significant Accounting Policies	2		

The accompanying notes form an integral part of the Consolidated Financial Statements

As per our report of even date attached

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

Aniket A Sohani
Partner
Membership no: 117142

Place: Mumbai
Date: May 19, 2023

S.R. BATLIBOI & ASSOCIATES LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

For and on behalf of the Board of Directors of Gati Limited

Shashi Kiran Shetty
Chairman & Managing Director
DIN: 00012754

Pirojshaw Sarkari
Chief Executive Officer

Anish T Mathew
Chief Financial Officer
M. No. 211965

GATI LIMITED HYDERABAD ★

T S Maharani
Company Secretary
M No. F8069

Place: Hyderabad
Date: May 19, 2023

Place: Hyderabad
Date: May 19, 2023

GATI LIMITED

Consolidated Cash Flow Statement for the year ended March 31, 2023

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(A) Cash Flow from Operating Activities		
Profit/(Loss) Before Taxes after exceptional items as per Statement of Profit and Loss	530	(50)
Adjustments For :		
Depreciation and Amortisation Expense	5,921	3,492
Finance Costs	2,936	2,732
Net gain on Sale of Investments	-	(1)
Interest on Income Tax Refund	(158)	(275)
Interest Income from Deposit with Bank and Others	(225)	(40)
Interest Income from Unwinding of Other Financial Assests	(89)	-
Liabilities no longer required - written back	(1,684)	(1,014)
Impairment charged of Property, Plant and Equipment	345	524
Loss on write off of Property, Plant and Equipment	792	-
Net (gain)/ loss on sale of Property, Plant and Equipment	(17)	316
Net (gain)/ loss on Lease Modification	(22)	47
Allowance for Expiry Stock	-	42
Net gain on Sale of Mutual Funds	(8)	(19)
Allowance for Expected Credit Loss	2,555	1,731
Bad debts and irrevocable balances written off (net of allowances)	23	50
Gain on loss of control of a Subsidiary	-	(6,012)
Severance payment on disposal of Investment in GKIL	-	1,305
Provision for GST related expenses (Net of amount paid)	-	1,189
Provision for Employees Share Appreciation Rights	924	33
Net Foreign Exchange gain	-	(2)
Net gain on disposal of Non-core Assets	(704)	-
Impairment charged/(reversed) in the realisable value of Non-core Assets	(529)	1,302
Operating profit before working capital changes	**10,590**	**5,350**
Decrease In Inventories	36	48
Increase In Trade Receivables	(5,486)	(5,478)
Decrease / (Increase) in Other Current Financial Assets	187	(376)
Decrease in Other Current Assets	228	46
Increase in Loans and Non Current Assets	(351)	(197)
Increase in Short Term Provisions	358	194
Increase / (Decrease) in Current Financial Liabilities	1,040	(375)
Increase In Trade Payables	5	2,067
Decrease in Current Liabilities	(70)	(354)
Decrease in Non Current Liabilities	(12)	-
Cash generated from operations	**6,525**	**926**
Direct Taxes paid (net of refunds)	(707)	(1,580)
Net Cash Flows generated/(used) from Operating Activities	**5,818**	**(654)**
(B) Cash Flow from Investing Activities		
Proceeds from sale of Property, Plant and Equipment	117	4,720
Proceeds from sale of Non-core Assets	7,776	-
Expenditure on Property, Plant and Equipment including Capital work in progress	(3,295)	(859)
Expenditure on Intangible Assets	(21)	(59)
Purchase of Current Investments (Net)	(100)	(5,399)
Proceeds from Sale of Investments	1,119	4,408
(Investment in)/Proceeds from bank Fixed Deposit (Net)	(7,524)	1,141
Interest Received	295	47
Severance payment on disposal of Investment in GKIL	-	(1,305)
Net Cash Flows generated/(used) from Investing Activities	**(1,633)**	**2,694**
(C) Cash Flow from Financing Activities		
Proceeds from issue of Equity Shares and Share Warrants (Net of issue expenses)	5,250	2,737
Repayment of Public Deposits	(305)	(297)
Repayment of Long Term Borrowings	(1,012)	(1,801)
Proceeds/(Repayment) of Short Term Borrowings (Net)	(1,466)	(449)
Payment of Principal portion of Lease Liabilities	(3,394)	(1,676)
Payment of Interest on Lease Liabilities	(1,650)	(985)
Interest Paid	(1,296)	(2,222)
Net Cash Flows used in Financing Activities	**(3,873)**	**(4,693)**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	**312**	**(2,653)**
Cash and Cash Equivalents at the beginning of the year	1,581	4,247
Less: Cash and Cash Equivalents of Disposed Subsidiary	-	(12)
Cash and Cash Equivalents as the end of the year	**1,893**	**1,581**

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GATI LIMITED
HYDERABAD

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

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, 2023	As at March 31, 2022
Balance with Banks:		
On Current Accounts	1,878	1,504
Deposits with original maturity of less than three months	-	57
Cash on hand	15	20
Cash and Cash Equivalents as per Balance Sheet (Refer Note 14A)	**1,893**	**1,581**

As per our report of even date attached

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

Aniket A Sohani
Partner
Membership no: 117142

Place: Mumbai
Date: May 19, 2023

For and on behalf of the Board of Directors of Gati Limited

Shashi Kiran Shetty
Chairman & Managing Director
DIN: 00012754

Pirojshaw Sarkari
Chief Executive Officer

Anish T Mathew
Chief Financial Officer
M. No. 211965

Place: Hyderabad
Date: May 19, 2023

T S Maharani
Company Secretary
M No. F8069

Place: Hyderabad
Date: May 19, 2023

GATI LIMITED

Consolidated Statement of Changes in Equity for the Year Ended March 31, 2023

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

A) Equity Share Capital

Particulars	No. of Shares	Amount
Balance as at March 31, 2021	**12,19,45,977**	**2,439**
Add/(Less): Changes in Equity Share Capital for the year ended March 31, 2022	10,23,020	20
Balance as at March 31, 2022	**12,29,68,997**	**2,459**
Add/(Less): Changes in Equity Share Capital for the year ended March 31, 2023	71,61,120	144
Balance as at March 31, 2023	**13,01,30,117**	**2,603**

B) Other Equity

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

Particulars	Reserves and Surplus							Money received against share warrants	Equity attributable to owners of the company (A)	Non controlling Interest (B)	Total (A)+(B)
	Securities Premium	General Reserve	Capital Reserve	Tonnage Tax Reserve (Utilized)	Share Option Outstanding account/ESAR's	Special Reserve	Retained Earnings				
Balance as at March 31, 2022	**35,067**	**10,505**	**2,084**	**929**	**56**	**14,707**	**(11,572)**	**1,750**	**53,526**	**7,686**	**61,212**
Profit/(Loss) for the year	-	-	-	-	-	-	(928)	-	(928)	(163)	(1,091)
Adjustments during the year	-	-	-	-	1,593	-	-	-	1,593	-	1,593
Issue of shares pursuant to preferential allotment*	6,857	-	-	-	-	-	-	(1,750)	5,107	-	5,107
Other Comprehensive income for the current year	-	-	-	-	-	-	(433)	-	(433)	(179)	(612)
Balance as at March 31, 2023	**41,924**	**10,505**	**2,084**	**929**	**1,649**	**14,707**	**(12,934)**	**-**	**58,864**	**7,344**	**66,208**

* During the current year, the Company has issued and allotted 71,61,120 Equity Shares of face value of ₹ 2/- each ("Equity Shares") against share warrants at a price of ₹ 97.75/- per Equity Share at a premium of ₹ 95.75/- per Equity Share. aggregating up to ₹ 6,857 lakhs.

Particulars	Reserves and Surplus							Money received against share warrants	Equity attributable to owners of the company (A)	Non controlling Interest (B)	Total (A)+(B)
	Securities Premium	General Reserve	Capital Reserve	Tonnage Tax Reserve (Utilized)	Share Option Outstanding account/ESAR's	Special Reserve	Retained Earnings				
Balance as at March 31, 2021	**34,100**	**10,505**	**2,084**	**929**	**-**	**14,707**	**(12,254)**	**-**	**50,071**	**8,472**	**58,543**
Profit/(Loss) for the year	-	-	-	-	-	-	887	-	887	(1,330)	(443)
Adjustments during the year	-	-	-	-	-	-	21	-	21	638	659
Issue of shares pursuant to preferential allotment**	967	-	-	-	-	-	-	-	967	-	967
Issue of share warrants	-	-	-	-	-	-	-	1,750	1,750	-	1,750
Share based payment reserve-ESAR's	-	-	-	-	56	-	-	-	56	-	56
Other Comprehensive income for the year	-	-	-	-	-	-	(226)	-	(226)	(94)	(320)
Balance as at March 31, 2022	**35,067**	**10,505**	**2,084**	**929**	**56**	**14,707**	**(11,572)**	**1,750**	**53,526**	**7,686**	**61,212**

** During the previous year, the Company has issued and allotted 10,23,020 Equity Shares of face value of ₹ 2/- each ("Equity Shares") against share warrants at a price of ₹ 97.75/- per Equity Share at a premium of ₹ 95.75/- per Equity Share. aggregating up to ₹ 980 lakhs. Expenses incurred ₹ 13 lakhs for preferential allotment are adjusted against the securities premium.

The accompanying notes form an integral part of the Consolidated Financial Statements

As per our report of even date attached

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

Aniket A Sohani
Partner
Membership no: 117142

Place: Mumbai
Date: May 19, 2023

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

For and on behalf of the Board of Directors of Gati Limited

Shashi Kiran Shetty
Chairman & Managing Director
DIN: 00012754

Pirojshaw Sarkari
Chief Executive Officer

GATI LIMITED HYDERABAD

Anish T Mathew
Chief Financial Officer
M. No. 211965

T S Maharani
Company Secretary
M No. F8069

Place: Hyderabad
Date: May 19, 2023

Place: Hyderabad
Date: May 19, 2023

Corporate and general information:

The Consolidated Financial Statements comprise financial statements of Gati Limited (the Company) and its Subsidiaries (collectively, the Group) for the year ended March 31, 2023. The Company is a public limited company incorporated in 1995 under provisions of the Companies Act, 1956 having its Registered and Corporate Office at 4th floor,Western Pearl, Survey no.13(P), Kondapur, Hyderabad - 500 084. Telangana, India. The Group is primarily engaged in the business of Express distribution and Supply chain solution through Surface, Air and Rail logistics, Supply chain management (SCM), E-Commerce logistics, and Fuel stations. The company is listed on National Stock exchange (NSE) and Bombay Stock Exchange (BSE).

1) Basis of Accounting:

1.1 Statement of Compliance

These Consolidated Financial Statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) read with Section 133 of the Companies Act, 2013 (the "Act"). The presentation of the Consolidated Financial Statements is based on Division II Schedule III of the Companies Act, 2013.

The financial statement are approved for issue by the Audit Committee and by the Board of Directors at its meeting held on May 19, 2023.

1.2 Basis of Measurement

The Consolidated Financial Statements have been prepared on a going concern basis using historical cost, except as stated below

- 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 group's functional currency, has been rounded to the nearest lakhs, unless otherwise stated.

1.4 Use of Estimates and Judgements

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

Critical accounting estimates and judgments used are as below:

(i) Defined benefit obligation
(ii) Recognition of current tax and deferred tax
(iii) Recognition and measurement of provisions and contingencies
(iv) Fair value measurement of Financial instruments
(v) Provision for Doubtful Debts and advances
(vi) Share based payments
(vii) Impairment of Goodwill

S.R. BATLIBOI & ASSOCIATES LLP
MUMBAI
CHARTERED ACCOUNTANTS

GATI LIMITED
HYDERABAD

1.5 Basis of Consolidation

The Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2023.

The Subsidiary Companies considered in the Financial Statements are as follows:

Sl. No.	Name of the subsidiary	Country of Incorporation	% Voting Power as at March 31, 2023	% Voting Power as at March 31, 2022
1	Gati-Kintetsu Express Private Limited	India	70%	70%
2	Gati Kausar India Limited *	India	-	-
3	Gati Import Export Trading Limited	India	100%	100%
4	Zen Cargo Movers Private Limited	India	100%	100%
5	Gati Logistics Parks Private Limited	India	100%	100%
6	Gati Projects Private Limited	India	100%	100%

* Gati Kausar India Limited ceased to be a subsidiary with effect from July 14, 2021.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has all of the below:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control on the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiaries financial statements in preparing the Consolidated Financial Statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended March 31, 2023. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares additional financial information as on the same date for consolidation purpose to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

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Consolidation Procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and Property, Plant and Equipment are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

(c) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

1.6 Current Vs Non-Current Classification

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

Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1st, 2023, as below:

i. **Ind AS 1 – Presentation of Financial Statements:** The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

ii. **Ind AS 12 – Income Taxes:** The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

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iii. **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors:** The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

Based on preliminary assessment, the Group does not expect these amendments to have any significant impact on its Consolidated Financial Statements.

2) Significant Group Accounting Policies:

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

2.1 Property, plant and equipment

Recognition and Measurement:

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

- The initial cost at cash price equivalent of property, plant and equipment acquired comprises its purchase price after deducting trade discounts and rebates, including import duties and non-refundable purchase taxes, any directly attributable costs of bringing the assets to its working condition and location and present value of any obligatory decommissioning costs for its intended use. Administrative, Borrowing and other general overhead expenses that are specifically attributable to construction or acquisition of PPE or bringing the PPE to working condition are allocated and capitalized as a part of cost of PPE. When significant parts of plant and equipment are required to be replaced at intervals, the Group 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 the lower of their carrying amount and fair value less cost to sell. Assets held for sale are no longer amortised or depreciated from the date of classification.

Subsequent Expenditure:

- Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the cost incurred will flow to the Group 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 equipments and servicing equipments 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.

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Depreciation and Amortisation:

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

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

- Freehold land is not depreciated.
- Cost of leasehold land is amortised over the period of the lease or its useful life, whichever is lower.
- Intangible assets are amortised on straight line basis over its estimated useful life.
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (upto) the date on which asset is ready for use (disposed off).

De-recognition Assets:

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

2.2 Intangible Assets:

Intangible assets are stated at acquisition cost net of accumulated amortisation and cumulative impairment, if any. The Group capitalizes identifiable costs relating to development of internally generated software and these are stated net of accumulated amortisation. Estimated economic useful lives of the intangible assets is 3 to 6 years.

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

The carrying amount of the intangible asset is derecognized on disposal or when no future economic benefit is expected from its use. Any gain or loss is recognised in the statement of Profit and loss. Goodwill arising on business combination is carried at cost as established at the transaction date of business combination.

2.3 Leases:

The Group 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.

Group as a lessee

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

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.4 Impairment assets.

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(ii) Lease Liabilities

At the commencement date of the lease, the Group 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group 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 Group 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 <u>Impairment of assets:</u>

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

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

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

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.

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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 recognised in the Statement of Profit and Loss.
e) Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.
f) On consolidation of subsidiaries, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in profit or loss.

2.6 Inventories:

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

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

2.7 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 Group as part of the contract. The variable consideration is estimated based on the expected value of outflow.

a) Freight services:

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

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

b) Sales of Goods:

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

c) Others:

I. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group 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. Reimbursement of cost is netted off with the relevant expenses incurred, since the same are incurred on behalf of the customers.
IV. Business support charges are recognized as and when the related services are rendered.

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2.8 **Contract Balances:**

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

Trade receivables:

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

Contract assets:

Contract asset includes the costs deferred for express distribution operations relating to cargo transportation operations where company's performance obligation is yet to be completed. Additionally, a contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the company performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

2.9 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:

- Amortised 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 Group changes its business model for managing financial asset. In the case of financial assets, not recorded at fair value through profit or loss (FVTPL), financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

I. Financial assets at amortized cost:

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

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

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

The Effective Interest Rate (EIR) amortisation is included in finance income in the Statement of Profit and Loss. This category generally applies to long-term deposits and long-term trade receivables.

II. Financial assets at fair value through other comprehensive income (FVOCI):

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

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

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

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

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

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III. Financial assets at fair value through profit or loss (FVTPL):

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

b) Subsequent measurement

For purposes of subsequent measurement:

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

An investment in associates is carried at cost in separate financial statements.

(ii) Financial Liability:

Financial liabilities are classified and measured at amortised cost or FVTPL

a) Initial Recognition & Subsequent measurement:

I. 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 recognised in Statement of Profit and Loss.

II. Financial liabilities at amortised cost:

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

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

b) Financial guarantee liability:

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

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

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iii) **Impairment of Financial Assets:**

In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets which are not fair valued through Statement of Profit and Loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL at each reporting date, right from its initial recognition.

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

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

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

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

iv) **Derecognition:**

a) **Financial Assets:**

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

v) **Offsetting:**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet, when and only when, the Group 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.

2.10 Fair Value measurement:

A number of the Group accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities. The Group 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 Group measures financial assets and financial liability at fair value at each balance sheet date.

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group 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.

2.11 Employee benefits:

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

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

c) Defined benefit plan:
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.
The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

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

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

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

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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.

2.12 Taxes:

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

Current tax:
Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:
Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities in financial statements and their corresponding tax bases. Deferred tax assets are recognized for deductible temporary differences, unused tax credits, and tax losses, but only to the extent that it is probable that taxable profit will be available to offset them. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced if it becomes unlikely that sufficient taxable profit will be available. Unrecognized deferred tax assets are reassessed at each reporting date and recognized if it becomes probable that future taxable profits will allow their recovery.
Deferred tax related to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss, either in other comprehensive income or directly in equity. Deferred tax liabilities and assets are measured using the tax rates expected to apply when the liability is settled or the asset is realized, based on tax rates and laws enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets is reviewed at the end of each reporting period.

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

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

2.13 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.

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2.14 Provisions and Contingencies:

Provisions are recognised when the Group 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 Group. Such liabilities are disclosed by way of notes to the financial statements.

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.

2.15 Borrowing cost:

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset.
Other borrowing costs are recognised as an expense in the period in which they are incurred.

Where there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.

2.16 Segment information:

Segments are identified based on the manner in which the Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance. Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property and equipment and intangible assets other than goodwill.

2.17 Share based payments:

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

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

2.18 Segment Reporting:

Segments are identified based on the manner in which the Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance. Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property and equipment and intangible assets other than goodwill.

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2.19 Earnings per share:

(i) Basic earnings per share

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

(ii) Diluted earnings per share:

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

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

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3A. Property, Plant and Equipment

Tangible assets

Particulars	Gross Block					Accumulated Depreciation and Impairment						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	Impairment 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
Freehold Land	2,176	-	5	-	2,171	524	-	345	-	-	869	1,302	1,652
Buildings	794	-	459	294	41	138	7	-	57	76	12	29	656
Lease Hold Improvements	78	153	-	-	231	1	6	-	-	-	7	224	77
Vehicles	432	35	-	153	314	214	38	-	-	58	194	120	218
Plant & Machinery	4,764	994	-	2,055	3,703	2,501	467	-	-	1,556	1,412	2,291	2,263
Computer	4,234	789	-	932	4,091	3,863	317	-	-	932	3,248	843	371
Furniture & Fittings	3,890	1,352	-	1,519	3,723	2,728	287	-	-	1,327	1,688	2,035	1,162
Office Equipment	2,364	326	-	475	2,215	2,099	161	-	-	463	1,797	418	265
Total	**18,732**	**3,649**	**464**	**5,428**	**16,489**	**12,068**	**1,283**	**345**	**57**	**4,412**	**9,227**	**7,262**	**6,664**

Particulars	Gross Block					Accumulated Depreciation and Impairment						Net Carrying Value	
	As at April 01, 2021	Additions	Assets Reclassified to Held for Sale	Disposals/ Adjustment	As at March 31, 2022	As at April 01, 2021	Depreciation for the year	Impairment for the year	Assets Reclassified to Held for Sale	Disposals/ Adjustment	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Freehold Land	4,545	-	2,369	-	2,176	-	-	524	-	-	524	1,652	4,545
Fleet	3,538	-	-	3,538	-	2,590	80	-	-	2,670	0	(0)	947
Buildings	3,387	-	600	1,993	794	712	54	-	119	508	138	656	2,676
Lease Hold Improvements	-	78	-	-	78	-	1	-	-	-	1	77	-
Vehicles	1,098	8	-	674	432	448	84	-	-	318	214	218	650
Plant & Machinery	5,997	205	-	1,438	4,764	2,635	318	-	-	452	2,501	2,263	3,362
Computer	4,365	176	-	307	4,234	3,719	441	-	-	297	3,863	371	646
Furniture & Fittings	3,808	245	-	163	3,890	2,577	234	-	-	83	2,728	1,162	1,231
Office Equipment	2,320	92	-	48	2,364	2,020	125	-	-	46	2,099	265	300
Total	**29,058**	**804**	**2,969**	**8,161**	**18,732**	**14,701**	**1,337**	**524**	**119**	**4,374**	**12,068**	**6,664**	**14,357**

Notes :

a) The amount of Contractual commitments for acquisition of property, plant and equipment is disclosed in Note 38(ii).

b) Refer Note 20 and 24 for information on Property, Plant and Equipments pledged as securities by the Company.

c) Refer Note 17 for detailed information on assets held for sale.

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

e) Refer Note 34 and 36 for information on accelerated deprecation and loss on write off of Property, Plant and Equipment recorded during the financial year.

f) During the current year, management has undertaken a detailed assessment of the economic useful life of all the assets and accordingly revised the estimated useful life for certain assets. Accordingly, the depreciation expense on Property, Plant and Equipment includes a charge of ₹ 198 lakhs (March 31, 2022 - Nil) on account of such change in estimate.

g) In addition to the Assets Held for Sale disclosed under Note 17, management has identified three more non-core immovable properties for monetisation purposes which are presently grouped under Property, Plant and Equipment. The Board of Directors has approved the sale of these three properties during the meeting held on May 19, 2023, amounting to Rs 681 lakhs.

3B. Right-of-use Asset (ROU)

Particulars	Gross Block					Accumulated Amortization					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	Amortization 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
Leasehold Land	910	6	916	-	-	78	2	80	-	-	-	832
Buildings	19,059	6,813	-	1,670	24,202	3,389	3,870	-	995	6,264	17,938	15,670
Vehicles	1,327	-	-	513	814	642	471	-	305	808	6	685
Vehicles - Cars	22	7	-	7	22	4	8	-	5	7	15	18
Computers	660	-	-	-	660	324	122	-	-	446	214	336
Plant & Machinery	38	96	-	-	134	2	27	-	-	29	105	36
Total	**22,016**	**6,922**	**916**	**2,190**	**25,832**	**4,439**	**4,500**	**80**	**1,305**	**7,554**	**18,278**	**17,577**

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Particulars	Gross Block					Accumulated Amortization					Net Carrying Value	
	As at April 01, 2021	Additions	Assets Reclassified to Held for Sale	Disposals/ Adjustment	As at March 31, 2022	As at April 01, 2021	Amortization for the year	Assets Reclassified to Held for Sale	Disposals/ Adjustment	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Leasehold Land	910	89	89	-	910	68	10	-	-	78	832	843
Buildings	7,339	12,959	-	1,239	19,059	2,033	1,692	-	336	3,389	15,670	5,305
Vehicles	1,334	-	-	7	1,327	480	166	-	4	642	685	855
Vehicles - Cars	-	22		-	22	-	4	-	-	4	18	-
Computers	346	314	-	-	660	220	104	-	-	324	336	126
Plant & Machinery	-	38		-	38	-	2	-	-	2	36	-
Others	162	-	-	162	-	18	3	-	21	-	-	144
Total	**10,091**	**13,422**	**89**	**1,408**	**22,016**	**2,820**	**1,981**	**-**	**361**	**4,439**	**17,577**	**7,273**

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation expense of Right-of-use Assets	4,500	1,981
Interest expense on Lease Liabilities	1,650	985
Total	**6,150**	**2,966**

Notes:
a) The aggregate depreciation expenses on Right-of-use asset (ROU) is included under depreciation and amortization expenses in the Statement of Profit and Loss. (Refer Note - 34)
b) The Company had total cash outflows for leases of ₹ 5,044 lakhs during the year ended March 31, 2023. The maturity analysis of lease liabilities are disclosed in note 21 of these financial statements.
c) During the current year, management has undertaken a detailed assessment of the economic useful life of all the assets and accordingly revised the estimated useful life for certain assets. Accordingly, the depreciation expense on Right-of-use Assets includes a charge of ₹ 304 lakhs (March 31, 2022 - Nil) on account of such change in estimate.

4. **Goodwill**

The Goodwill is recognized on account of consolidation of subsidiary company "Gati Kintetsu Express Private limited" (GKEPL), and it represents the difference between the Company's investment and proportionate share of GKEPL net assets acquired at the time of acquisition. 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., April 01, 2016.

Particulars	As at March 31, 2023	As at March 31, 2022
Gross carrying value		
Opening Balance	42,580	42,580
Disposals	-	-
Closing Balance	**42,580**	**42,580**
Accumulated Amortisation		
Opening Balance	-	-
Impairment Loss	-	-
Disposals	-	-
Closing Balance	-	-
Net Carrying Value	**42,580**	**42,580**

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.
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.

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5. **Other Intangible Assets**

Particulars	Gross Block				Accumulated Amortization and Impairment					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	Impairment for the year	Disposals/ Adjustment	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Computer Software	1,752	21	-	1,773	1,303	138	-	-	1,441	333	450
Total	**1,752**	**21**	**-**	**1,773**	**1,303**	**138**	**-**	**-**	**1,441**	**333**	**450**

Particulars	Gross Block				Accumulated Amortization and Impairment					Net Carrying Value	
	As at April 01, 2021	Additions	Disposals/ Adjustment	As at March 31, 2022	As at April 01, 2021	Amortization for the year	Impairment for the year	Disposals/ Adjustment	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Computer Software	1,680	72	-	1,752	1,125	174	5	-	1,303	450	555
Total	**1,680**	**72**	**-**	**1,752**	**1,125**	**174**	**5**	**-**	**1,303**	**450**	**555**

6. **Intangible Assets under Development**

	As at March 31, 2023	As at March 31, 2022
Software under Development	59	59
Total	**59**	**59**

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

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

Intangible assets under development ageing schedule

	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, 2023	-	59	-	-	59
As at March 31, 2022	59	-	-	-	59

Notes:
a) Company does not have any overdue projects as at March 31, 2023.
b) Company does not have any projects where its cost has exceeded its original budget value.

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7. Other Non Current Financial Assets	As at March 31, 2023	As at March 31, 2022
Considered good, unsecured		
Security Deposit with Others	1,012	779
Term Deposit with Banks (remaining maturity more than 12 months)	-	37
Margin Money with Banks (remaining maturity more than 12 months)	35	55
Total (A)	**1,047**	**871**
Gati Kausar India Limited of ₹ 10/-each (*)	8	8
Less: Impairment Allowance	(8)	(8)
Total (B)	-	-
Total (A)+(B)	**1,047**	**871**

(*) "Gati Kausar India Limited" ceased to be a subsidiary with effect from July 14, 2021. The group has retained 7,518 number of equity shares as investment amounting to ₹ 8 lakhs which was fully provided in earlier years.

8. Deferred Tax Assets, net	As at March 31, 2023	As at March 31, 2022
MAT Credit	10	10
Deferred Tax Assets, net	2,625	2,771
Total	**2,635**	**2,781**

8.1. Movement in Deferred Tax Assets and Liabilities during the year ended March 31, 2023 and March 31, 2022

Particulars	As at March 31, 2022	Recognised In Statement of Profit & Loss	Recognised In Equity	Others	As at March 31, 2023
Deferred Tax Assets/(Liabilities)					
Property, Plant and Equipment	237	(137)	-	-	100
Assets Held for Sale	-	(762)	-	-	(762)
Allowances for Expected Credit Loss	1,797	223	-	-	2,020
Employee Benefits - Gratuity and Compensated Absences	510	89	201	-	800
Other Temporary Differences	227	240	-	-	467
MAT Credit Entitlement, net	10	-	-	-	10
Net Deferred Tax Assets/(Liabilities)	**2,781**	**(347)**	**201**	-	**2,635**

Particulars	As at March 31, 2021	Recognised In Statement of Profit & Loss	Recognised In Equity	Others	As at March 31, 2022
Deferred Tax Assets/(Liabilities)					
Property, Plant and Equipment	717	(480)	-	-	237
Allowances for Expected Credit Loss	1,035	762	-	-	1,797
Employee Benefits - Gratuity and Compensated Absences	375	30	105	-	510
Other Temporary Differences	297	(70)	-	-	227
MAT Credit Entitlement, net	16	-	-	(6)	10
Net Deferred Tax Assets/(Liabilities)	**2,440**	**242**	**105**	**(6)**	**2,781**

9. Tax Assets, net	As at March 31, 2023	As at March 31, 2022
Advance tax, net	6,610	7,178
Total	**6,610**	**7,178**

10. Other Non-Current Assets	As at March 31, 2023	As at March 31, 2022
Considered good, unsecured		
Capital Advance	21	29
Considered doubtful, unsecured		
Capital Advance	173	173
Less: Allowance for Doubtful Advances	(173)	(173)
Total (A)	**21**	**29**
Balances with Statutory Authorities	126	134
Prepaid Expenses	13	4
Others	-	2
Total (B)	139	140
Total (A)+(B)	**160**	**169**

11. Inventories	As at March 31, 2023	As at March 31, 2022
(At Lower of Cost and Net Realisable Value)		
Stock-in-Trade *	300	335
Less:- Provision on Stores and Spares	(56)	(56)
Total	**244**	**279**

* Consists of Petrol, Diesel & Lubricants etc.,
Note: No inventories were pledged as security for liabilities during the period and previous period.

12. Investments	As at March 31, 2023	As at March 31, 2022
Investment at Fair Value through Profit & Loss (unquoted)		
Kotak Overnight Fund - Growth: Nil (March 31, 2022 - 22337.285) Units	-	253
ICICI Prudential Overnight Fund - Growth: Nil (March 31, 2022 -221120.158) Units	-	252
Tata Overnight Fund - Growth: Nil (March 31, 2022 - 22603.20) Units	-	253
Nippon India Overnight Fund - Growth: Nil (March 31, 2022 - 222632.61) Units	-	253
Total	-	**1,011**
Aggregate Market Value of Unquoted Investments	-	1,011
Aggregate Carrying Cost of Unquoted Investments	-	1,004

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13. Trade Receivables

	As at March 31, 2023	As at March 31, 2022
Unsecured		
Considered Good, unsecured	30,547	25,643
Credit Impaired	3,439	3,425
Total	33,986	29,068
Less: Allowances for expected credit loss (Refer Note: 43C(i)(a))	7,308	5,835
Total	**26,678**	**23,233**

Trade Receivable ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from the due date of payment						
	Not due	Less than 6 months	6 months - 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	Total
i) Undisputed Trade Receivable - Considered good	14,160	12,820	1,470	1,536	561	-	30,547
ii) Undisputed Trade Receivable - Credit impaired	-	-	-	-	-	219	219
iii) Disputed Trade Receivable - Considered good	-	-	-	-	-	-	-
iv) Disputed Trade Receivable - Credit impaired	-	-	-	-	143	3,077	3,220
Gross Trade Receivables	**14,160**	**12,820**	**1,470**	**1,536**	**704**	**3,296**	**33,986**
Less: Allowances for Expected Credit Loss							(7,308)
Balance as at March 31, 2023							**26,678**

Trade receivable ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from the due date of payment						
	Not due	;s than 6 months	6 months - 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	Total
i) Undisputed Trade Receivable - Considered good	9,592	13,633	1,176	794	164	-	25,359
ii) Undisputed Trade Receivable - Credit impaired	-	-	-	-	-	105	105
iii) Disputed Trade Receivable - Considered good	-	-	-	-	17	267	284
iv) Disputed Trade Receivable - Credit impaired	-	-	-	244	364	2,712	3,320
Gross Trade Receivables	**9,592**	**13,633**	**1,176**	**1,038**	**545**	**3,084**	**29,068**
Less: Allowances for Expected Credit Loss							(5,835)
Balance as at March 31, 2022							**23,233**

Note:
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 24)
iii) Trade Receivables are non interest bearing and are generally on terms of 30 to 90 days.

14A. Cash and Cash Equivalents

	As at March 31, 2023	As at March 31, 2022
Balances with Banks:		
In Current Accounts	1,878	1,504
Term deposits with bank (original maturities less than 3 months)	-	57
Cash on hand	15	20
Total	**1,893**	**1,581**

14B. Other Bank Balances

	As at March 31, 2023	As at March 31, 2022
Term deposits with bank (original maturities more than 3 months but less than 12 months) #	7,637	155
Margin money with bank (original maturities more than 3 months but less than 12 months)	67	17
Unpaid Dividend account	55	64
Total	**7,759**	**236**

Term deposits of ₹ 2,200 lakhs held by the company for the Air India Limited litigation matter are restricted and not available for general use in the company's funds.

15. Other Current Financial Assets

	As at March 31, 2023	As at March 31, 2022
Considered good, unsecured		
Security Deposits with Others	1,489	1,577
Other Advances Receivable	803	162
Accrued Interest on Deposits, Loan and Investments	100	12
Inter-Corporate Deposits (ICD's)	23	-
Earnest Money Deposits	6	10
Advance to Employees	10	8
Loans to Others	-	3
Total (A)	**2,431**	**1,772**
Considered doubtful, unsecured		
Loan Receivable with Credit Impaired	164	164
Less: Allowance for Doubtful Loans	(164)	(164)
Other Advances Receivable	2,327	2,321
Less: Allowance for Doubtful Receivable	(2,327)	(2,321)
Total (B)	**-**	**-**
Total (A)+(B)	**2,431**	**1,772**

16. Other Current Assets

	As at March 31, 2023	As at March 31, 2022
Considered good, unsecured		
Advance against Supply of Goods and Services	1,457	1,726
Considered doubtful, unsecured		
Advance against Supply of Goods and Service	458	455
Less: Allowance for Doubtful Advances	(458)	(455)
Total (A)	**1,457**	**1,726**
Prepaid Expenses	500	594
Balances with Government Authorities	1,148	824
Others	8	184
Total (B)	**1,656**	**1,602**
Total (A)+(B)	**3,113**	**3,328**

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17. Assets Held for Sale	As at March 31, 2023	As at March 31, 2022
A) Property, Plant & Equipment		
Land & Building	7,388	12,819
Plant & Machinery	-	59
Furniture & Fixtures	-	327
Office Equipment	-	47
Commercial Vehicles	-	12
Total	**7,388**	**13,264**

Note - In addition to the above mentioned Assets Held for Sale, management has identified three more non-core immovable properties for monetisation purposes which are presently grouped under Property, Plant and Equipment. The Board of Directors has approved the sale of these three properties during the meeting held on May 19, 2023, amounting to Rs 681 lakhs.

B) Investments	As at March 31, 2023		As at March 30, 2022	
	Number / Units	Amount	Number / Units	Amount
Investment in an Associate	48,00,000	8,623	48,00,000	8,623
Gati Ship Limited of ₹ 10/- each		(8,623)		(8,623)
Less: Impairment Allowance		-		-
Total				

Note: The Board has taken necessary steps and negotiation is ongoing with the prospective buyers for disposal of the above Property Plant & Equipment and investments and transaction is expected to be concluded in next one year.

18. Share Capital	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Authorized share capital				
Equity Shares of ₹ 2/- each	17,50,00,000	3,500	17,50,00,000	3,500
		3,500		**3,500**
Issued equity capital				
Equity Shares of ₹ 2/- each fully paid up	13,01,30,117	2,603	12,29,68,997	2,459
		2,603		**2,459**
Subscribed and fully paid-up:				
Equity Shares of ₹ 2/- each fully paid up	13,01,30,117	2603	12,29,68,997	2459
	13,01,30,117	**2,603**	**12,29,68,997**	**2,459**

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning of the year	12,29,68,997	2,459	12,19,45,977	2,439
Add: Shares isuued on allotment during the year (Refer Note 19(f))	71,61,120	144	10,23,020.00	20
Shares at the end of the year	**13,01,30,117**	**2,603**	**12,29,68,997**	**2,459**

b) Terms /Rights attached to Shareholders
The Company has only one class of issued shares i.e. Equity Shares having par value of ₹ 2 /- per share. Each holder of Equity Shares is entitled to one vote per share and ranks pari passu. 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) Details of shareholders holding more than 5% shares in the Company:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% Holding	No. of Shares	% Holding
Allcargo Logistics Limited	6,53,30,095	50.20%	5,81,68,975	47.30%
Mr. Mukul Mahavir Agrawal	70,00,000	5.38%	63,01,596	5.12%
Total	**7,23,30,095**	**55.58%**	**6,44,70,571**	**52.43%**

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

d) 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.

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

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

g) Details of shares held by promoters

Sl. No.	Name of the Promoter	As at March 31, 2023 Number of Shares	As at March 31, 2023 % of Shareholding	As at March 31, 2022 Number of Shares	As at March 31, 2022 % of Shareholding	% Change during the Year
1	Allcargo Logistics Limited (effective from April 08, 2020)	6,53,30,095	50.20	5,81,68,975	47.30	12%
2	Neera And Children Trust	23,15,889	1.78	23,15,889	1.88	-
3	Mahendra Kumar Agarwal	6,98,503	0.54	15,45,735	1.26	-55%
4	Tci Finance Limited	4,88,347	0.38	5,79,998	0.47	-16%
5	Mahendra Kumar Agarwal & Sons HUF	68,000	0.05	5,46,083	0.44	-
6	Mahendra Investment Advisors Private Limited	1,51,577	0.12	1,51,577	0.12	-
7	Jubilee Commercial & Trading Private Limited	20,000	0.02	1,49,823	0.12	-87%
8	Dhruv Agarwal Benefit Trust	8,750	0.01	8,750	0.01	0%
9	Manish Agarwal Benefit Trust	24,728	0.02	24,728	0.02	-
10	Bunny Investments & Finance Private Limited	-	0.00	40,000	0.03	-100%
	Total	**6,91,05,889**	**53.12**	**6,35,31,558**	**51.65**	

Note : During the year, the following Promoter and Promoter Group members have applied for reclassification from "Promoter and Promoter Group" category to "Public" category under Regulation 31A of SEBI LODR Regulations, 2015:-

1) Mahendra Kumar Agarwal
2) Mahendra Kumar Agarwal & Sons HUF
3) TCI Finance Limited
4) Mahendra Investment Advisors Private Limited
5) Jubilee Commercial & Trading Private Limited
6) Bunny Investments And Finance Private Limited

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19.	Other Equity	As at March 31, 2023	As at March 31, 2022
a)	Securities Premium	41,924	35,067
b)	General Reserve	10,505	10,505
c)	Capital Reserve	2,084	2,084
d)	Tonnage Tax Reserve (Utilized)	929	929
e)	Share based payment reserve (ESARs - Equity)	1,649	56
f)	Special Reserve	14,707	14,707
g)	Retained Earning	(12,934)	(11,572)
h)	Money received against share warrants	-	1,750
	Total	**58,864**	**53,526**

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

a) **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.

b) **General Reserve :**
General reserve is the retained earnings of the Group, which are kept aside out of the Group profit to meet future obligations, if any.

c) **Capital Reserve :**
Capital Reserve includes amount received on allotment of convertible warrants was forfeited and transferrred to Capital Reserve Account.

d) **Tonnage Tax Reserve (Utilised) :**
This reserve is a statutory reserve which is created and company had utilized in accordance with the provisions of Section 115VT of Income tax Act 1961.

e) **Share based payment Reserve :**

The share based payment reserve is used to record the value of equity-settled share based payment transactions with employees. The amount recorded in this reserve is transferred to securities premium upon exercise of stock appreciation rights options by employees. The amount outstanding in the "Share based payment reserve" will be transferred to "General Reserve", when the options are lapsed / cancelled .

f) **Money received against Share Warrants**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening Balance	1,750	-
Add - Received during the year	5,250	1,750
Less - Converted during the year	(7,000)	-
Closing Balance	**-**	**1,750**

During the current year, the Board of Directors of the Company have approved the allotment of 71,61,120 (Seventy One Lacs Sixty One Thousand One Hundred and Twenty) Equity Shares of a face value of Rs. 2/- (Rupees Two Only) fully paid up, to Allcargo Logistics Limited, Promoter of the Company, pursuant to the exercise of options attached to the Warrants allotted on June 17, 2021 and upon the receipt of balance 75% of the subscription money. Consequent to above allotment, the paid-up equity shares capital of the Company has increased from Rs. 24,59,37,994/- (Rupees Twenty Four Crores Fifty Nine Lacs Thirty Seven Thousand Nine Hundred and Ninety Four Only) divided into 12,29,68,997 (Twelve Crores Twenty Nine Lacs Sixty Eight Thousand Nine hundred and Ninety Seven) Equity Shares of face value of Rs. 2/- (Rupees Two Only) each to Rs. 26,02,60,234/- (Rupees Twenty Six Crores Two Lacs Sixty Thousand Two hundred and Thirty Four Only) divided into 13,01,30,117 (Thirteen Crores One Lac Thirty Thousand One Hundred and Seventeen) Equity Shares of face value of Rs. 2/- (Rupees Two Only) each.

g) **Special Reserve:**
The Hon'ble Andhra Pradesh High Court, approved the Scheme of Arrangement for amalgamation. (The Scheme) vide its Order dated March 19, 2013 which interalia, permits creation of a capital reserve to be called Special Reserve to which shall be credited excess of value of assets over value of liabilities on amalgamation of the subsidiaries amounting to ₹ 55,554 Lakhs to be utilized by the Company to adjust therefrom any capital losses arising from transfer of assets and certain other losses, any balance remaining in the Special Reserve shall be available for adjustment against any future permanent diminution in the value of assets and exceptional items etc. as specified in the Scheme as the Board of directors may deem fit.

h) **Retained Earnings:**
Retained earnings comprise of net accumulated profit/ (loss) of the group, after declaration of dividend.

20. Non Current Borrowings	As at March 31, 2023		As at March 31, 2022	
	Non - Current	Current Maturities	Non - Current	Current Maturities
Secured				
i) Term Loan from Banks	-	-	720	219
ii) Vehicle Loan from Banks	1	10	30	41
iii) Vehicle Loan from Others	-	-	-	14
Total (A)	**1**	**10**	**750**	**274**
Unsecured				
Fixed Deposits from Public	-	99	104	299
Total (B)	-	99	104	299
Total (A)+(B)	**1**	**109**	**854**	**573**

Particulars of Nature of security:
a) Vehicle loans from Banks & other financial institutions carrying interest rates ranging between 8.30% - 10% and last tranche is repayable by the end of July 2024. Vehicles are hypothecated against these loans.
b) Term loans from the bank which is secured by current assets has been repaid by the company during the current year.

21. Lease Liabilities	As at March 31, 2023		As at March 31, 2022	
	Non - Current	Current	Non - Current	Current
Secured				
Lease Obligation	16,052	3,575	14,005	3,196
Total	**16,052**	**3,575**	**14,005**	**3,196**

Notes:
(a) The Company has lease contracts for certain items of Computers, Vehicles, Land & Buildings. The Company's obligations under leases are secured by the lessor's title to the leased assets.
(b) **Movement in lease liabilities during the year ended March 31, 2023**

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liabilities at the beginning of the year	**17,201**	**7,177**
Recognition of right-of-use liability during the year	6,733	12,814
Interest cost accrued during the year	1,650	985
Payment of lease liabilities including interest	(5,044)	(2,661)
Decognition of right-of-use liability during the year	(913)	(44)
Adjustment on loss of control in Gati Kausar India limited	-	(1,070)
Lease liabilities at the end of the year	**19,627**	**17,201**

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

Particulars	As at March 31, 2023	As at March 31, 2022
Total cash outflow for leases	5,044	2,661

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

Particulars	As at March 31, 2023	As at March 31, 2022
Not later than one year	5,073	4,566
Later than one year but not later than five years		
1-2 years	4,432	3,507
2-3 years	3,819	2,709
3-4 years	3,029	2,419
4-5 years	2,301	1,906
Later than five years	10,306	11,875
Total	**28,960**	**26,982**

(e) Lease payments for less than 1 year lease contracts as well as for low value items for the year ended March 31, 2023 is ₹ 3,612 Lakhs (March 31, 2022 - ₹ 5,467 Lakhs) (included in other expenses and operating expenses

22. Other Non Current Financial Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on borrowings	-	12
Total	**-**	**12**

23. Provisions

	As at March 31, 2023		As at March 31, 2022	
	Non- Current	Current	Non- Current	Current
Employee Benefits				
Gratuity (Refer Note 39)	1,500	825	1,172	301
Compensated Absences (Refer Note 39)	420	496	369	228
Total	**1,920**	**1,321**	**1,541**	**529**

24. Current Borrowings

	As at March 31, 2023	As at March 31, 2022
Secured		
i) Working Capital facilities from Banks		
Cash Credit	12,340	13,806
ii) Current Maturities of Long term Borrowings	109	573
Total	**12,449**	**14,379**

a) Working Capital Borrowings in rupees is secured by book debts and of the Company on pari-passu charge with all working capital lenders under multiple banking arrangement. Weighted average rate of interest is
b) In case of one of the subsidiary "GATI Kintetsu Express Private Limited" where 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 are in agreement with the books of account set below for FY 2022-23.

Quarter ended	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference
Jun-22	1) Axis Bank, 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

Particulars	Public Deposits	Short Term Borrowings	Long Term Borrowings *
		Year ended March 31, 2023	
Balance as at March 31, 2022	**404**	**13,806**	**1,024**
Borrowings repaid during the year	-	-	(1,013)
Proceeds/(Repayment) of Short term borrowings (Net)	-	(1,466)	-
Repayment of Fixed deposits from Public repaid during the year	(306)	-	-
Balance as at March 31, 2023	**99**	**12,340**	**11**

(*)Includes current maturities of long term borrowings

Particulars	Public Deposits	Short Term Borrowings	Long Term Borrowings *
		Year ended March 31, 2022	
Balance as at March 31, 2021	**663**	**14,516**	**12,423**
Borrowings repaid during the year	(259)	-	(11,399)
Proceeds/(Repayment) of Short term borrowings (Net)	-	(710)	-
Repayment of Fixed deposits from Public repaid during the year	-	-	-
Balance as at March 31, 2022	**404**	**13,806**	**1,024**

(*)Includes current maturities of long term borrowings

d) Evaluation of financial covenant compliance and key performance indicators

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

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 uncommitted lines of credit of ₹ 10,160 lakhs and ₹ 6,194 lakhs as at March 31, 2023 and March 31, 2022, respectively, from its banks for working capital requirements. The Company draw upon these lines of credit based on its working capital requirements.

25. Trade Payables	As at March 31, 2023	As at March 31, 2022
Total Outstanding dues of micro and small enterprises (Refer Note 41)	1,128	1,570
Total Outstanding dues of creditors other than micro and small enterprises	8,387	8,606
Total	9,515	10,176

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	8,207	-	48	132	8,387
	9,331	**4**	**48**	**132**	**9,515**

Trade payables ageing schedule as at March 31, 2022

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	1,553	17	-	-	1,570
ii) Undisputed Others	7,603	477	413	113	8,606
	9,156	**494**	**413**	**113**	**10,176**

26. Other Current Financial Liabilities	As at March 31, 2023	As at March 31, 2022
Security Deposits	2,689	3,169
Interest Accrued but not due on Borrowings	16	17
Unpaid Dividends	55	64
Employee Related Liabilities	1,993	2,120
Unpaid matured deposits and interest accured thereon *	71	87
Liability towards guarantee invoked #	2,360	2,360
Others	5,900	4,400
Total	**13,084**	**12,217**

The Company had made a provision of Rs 2,360 lakhs to account for the potential liability arising from the corporate guarantee provided to Gati Infrastructure Private Limited (GIPL) in relation to the consortium loan from IDFC Bank.

* The Company is currently in the process of making payment to the IEPF (Investor Education and Protection Fund) account for the outstanding public deposit funds and the corresponding accrued interest amounting to ₹ 14 lakhs. This action is being undertaken in compliance with regulatory requirements to ensure the rightful return of these funds to the depositors.

27. Other Current Liabilities	As at March 31, 2023	As at March 31, 2022
Statutory Liabilities	1,510	1,610
Others	232	843
Total	**1,742**	**2,453**

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28. Revenue From Operations	Year ended March 31, 2023	Year ended March 31, 2022
Sale of Services		
Freight, E-Commerce and Miscellaneous services	1,46,300	1,25,689
Sale of Products		
Sale of Diesel, Petrol and Lubricants & Others	25,444	22,785
Total (A)	**1,71,744**	**1,48,474**
Other Operating Revenue		
Others	573	520
Total (B)	**573**	**520**
Total (A)+(B)	**1,72,317**	**1,48,994**

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue based on product & services		
a) Express Distribution	1,46,019	1,25,409
b) Fuel Stations	25,444	22,828
c) Others	281	237
Other Operating Revenues	573	520
Total	**1,72,317**	**1,48,994**
Revenue based on Geography		
India	1,72,317	1,48,994
Overseas	-	-
Total	**1,72,317**	**1,48,994**
Reconciliation of Revenue from Operation with contract price		
Revenue as per contract price	1,77,251	1,53,299
Less:		
Discounts	(207)	(126)
Credit Notes	(2,447)	(2,145)
Unsatisfied Performance Obligation	(2,853)	(2,554)
Revenue from Operations	**1,71,744**	**1,48,474**

Transaction Price - Unstatisfied Performance Obligation

The Company's unsatisfied performance obligations mainly arises on account of undelivered shipments. The aggregate value of transaction price allocated to the unsatisfied performance obligations as at March 31, 2023 is ₹ 2,853 lakhs, which is expected to be recognised during next year after delivery of shipments.

B. Contract Balances

Particulars	As at March 31, 2023	As at March 31, 2022
Contract Assets	1,653	655
Trade Receivables	32,333	28,413
Less: Impairment Allowances	(7,308)	(5,835)
Total	**26,678**	**23,233**

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognised as revenue as and when the performance obligation is satisfied.

29. Other Income	Year ended March 31, 2023	Year ended March 31, 2022
Interest income		
On Deposit with Bank and Others	225	40
On Refund of Income Tax	158	275
On Unwinding of Other Financial Assests	89	17
Rental Income	53	135
Foreign Exchange Gain, net	-	2
Profit on Disposal of Property, Plant and Equipment, net	21	-
Gain on Sale of Investments, net	-	1
Liabilities no longer required - written back	1,684	1,014
Gain on Lease Modification, net	22	
Gain on Sale of Mutual Funds, net	8	12
Gain on Investments measured at FVTPL, net	-	7
Miscellaneous Income, net	27	27
Total	**2,287**	**1,530**

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30. Operating Expenses	Year ended March 31, 2023	Year ended March 31, 2022
Freight	94,957	83,432
Fleet Running Expenses	-	644
Owned Vehicles Operating Cost	2,328	2,161
Handling Charges	4,528	2,390
Supply Chain Management Services	2,803	2,864
Claims for Loss & Damages, net	120	230
Vehicle's Taxes	27	32
Vehicle's Insurance	22	26
Power, Fuel and Water Expenses	-	38
Stores and Spare Parts Consumed	-	22
Other Operating Expenses	1,169	857
Total	**1,05,954**	**92,696**

31 Changes in Inventories of Stock-in-Trade	Year ended March 31, 2023	Year ended March 31, 2022
Opening Stock		
Stock-in-trade	280	333
	280	**333**
Closing Stock		
Stock-in-trade		
(Allowances as at March 31, 2023 - ₹ 56 lakhs, (March 31, 2022 - ₹ 56 lakhs))	(244)	(280)
	(244)	**(280)**
(Increase)/ Decrease in Inventories of Stock-in-trade, net of allowances	**36**	**53**

Note: Consumption of stores and spares in a subsidiary "Gati Kausar India Limited", has been considered in other expenses.

32. Employee Benefit Expense	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, Wages & Bonus	16,243	14,271
Contribution to Provident and other Funds (Refer Note 39)	1,167	1,041
Share Based Payment Expenses	924	34
Staff Welfare Expenses	481	459
Total	**18,815**	**15,805**

Note:

The Group measures the cost of employee share based scheme and recovers this amount from the Gati Kintetsu Express Private Limited (Subsidiary of Gati Ltd). A charge of ₹ 924 lakhs (March 31, 2022 - ₹ 34 lakhs) has been allocated for compensation cost related to share-based payments, reflecting the grant of stock options to certain specific employees of the Group.

33. Finance Costs	Year ended March 31, 2023	Year ended March 31, 2022
Interest Expense		
On Term Loans and Working Capital Loans	1,251	1,673
On Public Deposits	30	54
On Lease Obligation	1,650	985
Others	5	20
Total	**2,936**	**2,732**

34. Depreciation and Amortization Expense	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on Property, Plant and Equipment (Refer Note 3A)	1,283	1,337
Depreciation on Right-of-use Asset (Refer Note 3B)	4,500	1,981
Amortisation of Intangible Assets (Refer Note 5)	138	174
Total	**5,921**	**3,492**

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35. Other Expenses	Year ended March 31, 2023	Year ended March 31, 2022
Lease Rentals	3,164	4,208
Rates and Taxes	417	317
Insurance	136	184
Telephone Expenses	49	38
Printing and Stationery	369	292
Travel and Conveyance	570	296
Professional and Consultancy Charges	1,511	1,512
Advertisements	435	135
Electricity Expenses	849	766
Office Maintenance	2,172	1,708
Bank Collection Charges	-	7
Directors' Sitting Fees *	9	12
Corporate Social Responsibility Expenditure (Refer Note 35.2)	12	12
Auditors' Remuneration (Refer Note 35.1)	68	51
Allowance for Expected Credit Loss	2,555	1,731
Bad debts and Irrevocable Balances Written off	1,104	112
Less: Provision for loss allowances recognised in earlier years	(1,082)	(62)
Bad debts Written off-Others	124	51
Provision on Stock-in-Trade	-	42
Management Fee	624	568
Impairment loss on Property, Plant and Equipment	-	5
Allowance for Other Financial Assets	30	13
Allowance for Capital advances	-	14
Automation Network Expenses	600	500
Foreign Exchange Loss, net	2	-
Repairs and Maintenance		
Vehicles	97	130
Plant and Equipment	119	101
Buildings	16	26
Computers	889	803
Others	32	31
Loss on Disposal of Property, Plant and Equipment, net	4	238
Loss on Disposal of Non-core Assets, net	-	78
Loss on Lease Modification, net	-	47
Miscellaneous Expenses, net	889	873
Total	**15,764**	**14,839**

* Refer Note 46 for Related party information

35.1 **Auditors' Remuneration**	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Statutory Audit fees	44	26
Limited review of quarterly results	20	19
Certification fees and other services	1	5
Reimbursement of out of Pocket Expenses	3	1
Total	**68**	**51**

35.2 Corporate Social Responsibility Expenditure

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

(a) During the year, the Group has incurred ₹12 lakhs (March 31, 2022 ₹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 ₹12 lakhs.

(c) Amount of ₹12 lakhs, approved by the board to be spent during the year.

(d) Amount spent during the year on:

Particulars	**Year ended March 31, 2023**	**Year ended March 31, 2022**
(i) Construction/acquisition of any asset	-	-
(ii) 'On purpose other than (i) above	12	12
Total	**12**	**12**

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(c) Unspent Amount:

Particulars	Year ended March 31, 2023
Opening Balance as at April 01, 2022	-
Amount deposited in specified fund of schedule VII within 6 months	-
Amount required to be spent during the year	12
Less - Amount spent during the year	(12)
Closing Balance as at March 31, 2023	-

36. **Exceptional Items**	Year ended March 31, 2023	Year ended March 31, 2022
Loss on write off of Property, Plant and Equipment (Net) (Refer Note (a))	(792)	-
Impairment Charged of Property, Plant & Equipment (Refer Note (b))	(345)	(524)
Net Gain on disposal of Non-core Assets (Refer Note (c))	704	-
Impairment (Charged)/Reversed in the realisable value of Non-core Assets (Refer Note (d))	529	(1,302)
Severance fees payment on disposal of investment in GKIL (Refer Note (d))	-	(1,305)
Gain on disposal of investment in GKIL (Refer Note (d))	-	5
Gain on Loss of Control of GKIL (Refer Note (d))	-	6,013
GST provision expenses related to exempt GTA services (Refer Note (e))	-	(1,682)
Total	**96**	**1,205**

The Exceptional items (non-recurring) represents :

a) A loss on write off of ₹ 792 lakhs in Property, Plant and Equipment is on account of discardment of Property, Plant and Equipment which have outlived their useful life and those which are no longer required for business operations.

b) Impairment allowance of ₹ 345 lakhs (March 31, 2022 - ₹ 524 lakhs) has been provided in books on account of diminution in the fair value of Property, plant & Equipment.

c) Fair value of the assets sold during the year and proposed to be sold which is disclosed as "Assets held for Sale" results in Gain/(Loss) of ₹ 1,233 lakhs (March 31, 2022 - ₹ (1,302) lakhs).

d) Disposal of Subsidiary i.e. Gati Kausar India Limited ("GKIL"), by way of entering into Share Purchase Agreement ("SPA") among the Contracting Parties i.e. (i) Company as a Promoter, (ii) Mandala Capital AG Limited as an Investor, and (iii) GKIL as a Company. Pursuant to the aforesaid SPA, the Company has transferred its 69.79% equity holding in GKIL to Mandala Capital AG Limited for the sale consideration of ₹ 5 lakhs on July 14, 2021. With this aforementioned transfer, GKIL has ceased to be the Company's Subsidiary with effect from July 14, 2021. As a part of transaction one-time severance fees of ₹ 1,305 lakhs was also paid from Gati limited to GKIL as per the terms of share purchase agreement.

e) During the previous financial year, management had provided a GST related expense provision of ₹ 1,683 lakhs pertaining to earlier years based on a prudent management estimate. Out of the above the company had paid ₹494 lakhs in FY 2021-2022.

37. **Tax Expenses**	Year ended March 31, 2023	Year ended March 31, 2022
Profit Before Tax	530	(50)
Income Tax recognised in Statement of Profit and Loss		
Current Tax	1,313	231
Deferred Tax	347	(242)
Tax related earlier years	(39)	404
Total	**1,621**	**393**
Income Tax recognised in Other Comprehensive Income		
Deferred tax expenses on Re-Measurement gains/(losses) on defined benefit plans	(201)	(105)
Total	**(201)**	**(105)**
Grand Total	**1,420**	**288**

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

Profit before Tax	530	(50)
Applicable Tax Rate	27.82%	27.82%
Tax Expense	147	(14)
Tax Effect of :		
Non-deductible expenses for tax purpose	4	92
Tax on sale of Capital assets	320	-
Non recognition of Deferred Tax Asset	194	-
Others	956	315
Tax Expense in Statement of Profit and Loss	**1,621**	**393**
Effective Tax Rate	306%	-792%

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38. Contingent liabilities and commitments

(i)	Contingent liabilities (to the extent not provided for)	As at March 31, 2023	As at March 31, 2022
(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 ₹ 2,970 lakhs, previous year - ₹ 2,970 lakhs)	3,774	3,774
(ii)	Indirect Tax demand disputed in appeals (Includes amount paid under protest ₹ 43 Lakhs, previous year - ₹ 11 Lakhs) (##)	4,768	4,768
(iii)	Others	609	586
	Total	**9,151**	**9,128**

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

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. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows. It is not practicable for the Company to estimate the timings of the cash outflows, if any, pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the same.

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

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

 # Other Claims

The Group is involved in legal proceedings, both as plaintiff and as defendant. There are claims which the Company does not believe to be of a material nature, other than those described below:

A) IDFC Matter

IDFC Bank Limited. Vs. Gati Limited. (OA 6 of 2017), DRT, Delhi: Gati Limited. provided a corporate guarantee of Rs. 2,360 lakhs for a consortium loan taken by Gati Infrastructure Pvt. Limited. (GIPL) from IDFC Bank. As a result, IDFC Bank filed a recovery case with the Debt Recovery Tribunal (DRT) in Delhi.

Initially, the DRT issued an interim order restraining Gati Limited. from disposing of its properties. However, this order was subsequently set aside by the Debt Recovery Appellate Tribunal (DRAT) on April 11, 2022.

In compliance with the DRT's order, Gati Limited. has submitted details of five properties with an approximate value of Rs. 3,100 lakhs as security against the suit value. Gati Limited. has also filed an application with the DRT, Delhi, seeking the replacement of this security with a Bank Guarantee. However, the application is still pending listing and hearing before the DRT.

B) AIR India Matter

A wet lease freighter agreement ("WLA") dated May 16, 2007 was entered into between GATI Ltd. ("GATI") and Indian Airlines Ltd. ("Air India") for lease of 5 (five) freighter Boeing 737-200 aircrafts for five years w.e.f. July 15, 2007 till July 14, 2012. Air India could not perform its obligation under WLA and as a result GATI has stopped payments to Air India, terminated the WLA vide letter dated March 17, 2009 and invoked Arbitration vide letter March 19, 2009.

The Arbitration Tribunal ("AT") passed the award dated September 17, 2013 and directed Air India to pay a net sum of Rs.2,682 Lakhs towards claims, damages, interest and costs etc. Air India filed an appeal before the Single Bench of Hon'ble Delhi High court ('DHC') challenging the award of the Arbitrator in the year 2015.

DHC disposed of the appeal vide order dated July 7, 2015, upholding the award of the AT in all other aspects except the claim for damages of Rs. 497 Lakhs and asked Air India to deposit Rs. 2,200 Lakhs which was deposited on April 27, 2015 against which an immovable property was given as collateral by the Company. Based on the application made by the Company for release of the collateral, the Hon'ble High Court of Delhi, vide the order dated April 18, 2022, released the said immovable property in lieu of a Bank Guarantee of an equivalent amount (with 100% margin) as security.

Air India filed appeal before the Division Bench of the DHC challenging the award. GATI also filed appeal before Division Bench of DHC in respect of Rs. 497 Lakhs which was an ongoing dispute so far. During the continuance of dispute, Company has signed an out of court settlement with AIR India on May 18 ,2023, pertaining to this ongoing legal matter before the Hon'ble Delhi High Court.

Further, Company is in process of filing a petition before the court seeking the withdrawal of the aforementioned case, and consequent release of the Bank guarantee amounting to ₹2,200 lakhs, which is equivalent to the arbitral award under dispute.

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C) Neera Children Trust ('NCT') Vs. Gati Limited. & 29 Ors. (NCLT 535 of 2019), NCLT Hyderabad
Neera Children Trust (NCT) has filed a case alleging oppression and mismanagement against Gati Limited. and its Promoters & Directors. During the proceedings, various Interim Applications (IA) were filed by different parties, addressing matters of maintainability, waiver, legality of postal ballot, shifting of the registered office, and addition of other respondents.

Gati Limited. has responded to the interim reliefs sought by NCT, and their counter has been taken on record. Gati Limited. filed an Interim Application (IA) requesting the shift of the registered office from Telangana to Maharashtra, which was granted by the National Company Law Tribunal (NCLT) through an order dated April 25, 2023.

As per the said order, Gati Limited. has been directed to file an application (Form INC 23) and provide the necessary information to the Regional Director (RD). The RD has been instructed to make an unbiased decision within 15 days of receiving the application. The main petition is scheduled for a hearing on July 25, 2023.

The final resolution and potential impact of this litigation case on Gati Limited.'s financial position are subject to the outcome of the proceedings in the National Company Law Tribunal (NCLT) in Hyderabad. The NCLT's decision will determine the implications for Gati Limited.'s financial standing. It is important to note that until the NCLT reaches a verdict, the ultimate impact on Gati Limited.'s financial position cannot be determined with certainty. The Group will continue to monitor the proceedings and assess any potential financial implications accordingly.

(b)	Bank Guarantee (*)	500	421

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

(c) There has been a Supreme Court (SC) judgement dated February 28, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. From the previous year ended March 31, 2022, Group is in compliance with same. The Group will continue to assess any further developments in this matter for the implications on financial statements, if any. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, was not ascertainable and consequently no effect was given in the accounts.

(d) The Code on Social Security, 2020 (Code) related to employee benefits during employment and post-employment received Presidential assent in September 2020. The Code has been published in the Gazette of India; however, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. The Group 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 Group envisages that the impact of the above would not be material.

(ii)	Commitments	As at March 31, 2023	As at March 31, 2022
	Commitment for acquisition of Property, Plant & Equipments (Net of advances)		
	Towards Property, Plant & Equipment	82	850
	Total	**82**	**850**

39. Disclosure as required under Ind AS 19 on Employee Benfits:

Defined Benefit Obligation	As at March 31, 2023	As at March 31, 2022
Statement of Assets and Liabilities for defined benefit obligation		
Present value of funded obligations	(2,361)	(1,671)
Fair value of plan assets	36	198
Net defined benefit liability recognised	**(2,325)**	**(1,473)**

Defined contribution
The expense for defined contribution plans amounted to ₹ 929 lakhs and ₹ 812 lakhs for the year ended March 31, 2023 and March 31, 2022 respectively.

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

These defined benefit plans expose the Group to actuarial risks, such as currency risk, interest risk and market (investment) risk. The Group expects to contribute ₹ 862 lakhs to Gratuity Fund in the next year.

Defined benefits - Compensated absences
The Group 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 Group's policy. The Group 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 Group towards this obligation is ₹ 912 lacs and ₹ 597 lacs as at March 31 , 2023 and March 31, 2022, respectively.

Inherent risk
The plan is defined benefit in nature which is sponsored by the Group and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Group, 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.

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

	Reconciliation of the net defined benefit (asset)/ liability:	Year ended March 31, 2023	Year ended March 31, 2022
(I)	**Reconciliation of present value of defined benefit obligation**		
(a)	Balance at the beginning of the year	1,671	1,438
(b)	Current service cost	161	142
(c)	Interest on defined obligations	82	69
(d)	Benefits paid	(346)	(374)
(e)	Benefit payments directly by employer	(15)	(1)
(f)	Actuarial (gains)/ losses recognised in other comprehensive income		
	change in demographic assumptions	(15)	(15)
	change in financial assumptions	(79)	28
	experience adjustments	902	408
	Balance at the end of the year before adjustment	**2,361**	**1,695**
	Less- Adjustment on loss of control in Gati Kausar India limited	-	(24)
	Balance at the end of the year	**2,361**	**1,671**
(II)	**Reconciliation of fair value of plan assets**		
(a)	Balance at the beginning of the year	198	540
(b)	Actual return on plan assets	11	30
(c)	Investment Income	(5)	(4)
(d)	Contributions by the employer	178	6
(e)	Benefits paid	(346)	(374)
(f)	Actuarial (gains)/ losses on plan assets	-	-
	Balance at the end of the year	**36**	**198**
(III)	**Gratuity cost recognised in Statement of Profit or Loss**		
(a)	Current service cost	161	142
(c)	Interest on defined obligations	82	69
(b)	Interest income on plan assets	(11)	(30)
	Gratuity cost recognised in Statement of Profit or Loss	**232**	**181**
(IV)	**Remeasurements recognised in Other Comprehensive Income**		
(a)	Actuarial gain / (loss) on defined benefit obligation	808	421
(b)	Actuarial (gain) / loss on plan assets	5	4
	Amount recognised in Other Comprehensive Income	**813**	**425**

		As at March 31, 2023	As at March 31, 2022
(V)	**Net Asset/ (Liability) recognised in the Balance Sheet**		
(a)	Present value of defined benefit obligation	(2,361)	(1,671)
(b)	Fair value of plan assets	36	198
	Net defined benefit obligations in the Balance Sheet	**(2,325)**	**(1,473)**

		As at March 31, 2023	As at March 31, 2022
(VI)	**Plan assets**		
	Plan assets comprise of the following:		
(a)	Investments with LIC	100%	100%

		Year ended March 31, 2023	Year ended March 31, 2022
(VII)	**Actuarial assumptions**		
	Principal actuarial assumptions at the reporting date (expressed as weighted averages)		
(a)	Discount rate	7.3% - 7.31%	5.77%
(b)	Future salary growth	8.00% first 2 years; 6.00% thereafter	8.00% first 2 years; 6.00% thereafter
(c)	Retirement age (years)	58	58
(d)	Withdrawal rates	10% - 36%	30%

(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, 2023		As at March 31, 2022	
		Increase	Decrease	Increase	Decrease
(a)	Discount rate (1% movement)	(47)	52	(41)	46
(b)	Future salary growth (1% movement)	59	(54)	43	(40)
(c)	Withdrawal assumption (1% movement)	1	2	(2)	3

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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, 2023	As at March 31, 2022
1 year	862	504
2 to 5 years	1,532	1,057
6 to 10 years	363	344
More than 10 years	48	69

Defined Contribution	Year ended March 31, 2023	Year ended March 31, 2022
Provident/Pension Fund	829	709
Superannuation Fund	3	-
Employee State Insurance	98	104
Total	930	813

40. Segment information

A. Basis for segmentation

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

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

Reportable segments	Operations
Express Distribution & Supply Chain	Covers integrated cargo services - Road, Air transportation, E-commerce logistics and supply chain solutions
Fuel Stations	Covers fuel stations dealing in petrol, diesel and lubricants, etc.
Others	Miscellaneous business comprising of less than 10% revenues.

B. Information about reportable segments

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

Summary of Segment Information for the year ended March 31, 2023 and March 31, 2022 is as follows:

1. Segment Revenue (Net Sales / Income from each Segment)	Year Ended March 31, 2023	Year Ended March 31, 2022
a) Express Distribution & Supply Chain	1,46,592	1,25,929
b) Fuel Station	25,444	22,828
c) Others	281	237
Total	**1,72,317**	**1,48,994**
Less: Inter Segment Revenue	-	-
Total Revenue from Operations	**1,72,317**	**1,48,994**

2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)	Year Ended March 31, 2023	Year Ended March 31, 2022
a) Express Distribution & Supply Chain	3,745	1,325
Less: Exceptional Items - Income/(expense)	(807)	-
Total (a)	**2,938**	**1,325**
b) Fuel Station	378	302
Less: Exceptional Items - Income/(expense)	-	-
Total (b)	**378**	**302**
Total (a+b)	**3,316**	**1,627**
Add/Less: (i) Finance Cost	(2,936)	(2,732)
(ii) Other un-allocated Income/(expense), net	(753)	(150)
(iii) Exceptional Items - Income/(expense), net	903	1,205
Profit/(Loss) Before tax	**530**	**(50)**
Less: Tax Expenses	1,621	393
Profit after Tax as per statement of profit and loss	**(1,091)**	**(443)**

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3. Segment Assets and Liabilities	As at March 31, 2023	As at March 31, 2022
Segment Assets		
a) Express Distribution & Supply Chain	58,363	52,353
b) Fuel Stations	1,175	1,278
c) Unallocated	68,932	69,402
Total Assets	**1,28,470**	**1,23,033**
Segment Liabilities		
a) Express Distribution & Supply Chain	56,629	55,522
b) Fuel Stations	46	42
c) Unallocated	2,984	3,798
Total Liabilities	**59,659**	**59,362**
Capital Employed	**68,811**	**63,671**

4. Depreciation and Amortization Expense	**Year Ended March 31, 2023**	**Year Ended March 31, 2022**
a) Express Distribution & Supply Chain	5,908	3,481
b) Fuel Stations	13	11
c) Others	-	-
Total	**5,921**	**3,492**

5. Significant Non - Cash Expenditure	**Year Ended March 31, 2023**	**Year Ended March 31, 2022**
a) Express Distribution & Supply Chain	2,797	3,074
b) Fuel Stations	-	5
Total	**2,797**	**3,079**

6. Captial Expenditure	**Year Ended March 31, 2023**	**Year Ended March 31, 2022**
a) Express Distribution & Supply Chain	3,613	875
b) Fuel Stations	36	1
Total	**3,649**	**876**

C. Geographical Information

1. Revenue from External Customers	**Year Ended March 31, 2023**	**Year Ended March 31, 2022**
a) India	1,72,317	1,48,994
b) International	-	-
Total	**1,72,317**	**1,48,994**

2. Segment Non Current assets *	**As at March 31, 2023**	**As at March 31, 2022**
a) India	69,719	68,370
b) International	-	-
Total Assets	**69,719**	**68,370**

* Non Current Assets are excluding Tax Assets, Deferred Tax Asset.

	41. Due to Micro Enterprises and Small Enterprises	**As at March 31, 2023**	**As at March 31, 2022**
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year :		
	Principal amount due to micro and small enterprises	1,114	1560
	Interest due on above	14	10
	Total	1,128	1,570
(ii)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of the accounting year.	14	10
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

42. The Board of Directors of the company have not recommended any dividend for the current financial year with an objective to conserve cash.

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43. **Financial instruments - fair values and risk management**

A. **Category wise classification of financial instruments**

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

Particulars	Carrying Amount					Fair value			
	FVTPL	FVOCI	Other Financial Assets at Amortised Cost	Other Financial Liabilities at Amortised Cost	Total Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in Equity Instruments	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
Financial Assets									
Other Financial Assets		-	3,478	-	3,478	-	-	-	-
Trade Receivables	-	-	26,678	-	26,678	-	-	-	-
Cash and Cash Equivalents	-	-	1,893	-	1,893	-	-	-	-
Other Bank Balances	-	-	7,759	-	7,759	-	-	-	-
Total	-	-	**39,808**	-	**39,808**	-	-	-	-
Financial Liabilities									
Borrowings	-	-	-	12,450	12,450	-	-	-	-
Lease Liabilities	-	-	-	19,627	19,627	-	-	-	-
Trade Payables	-	-	-	9,515	9,515	-	-	-	-
Other Financial Liabilities	-	-	-	13,084	13,084	-	-	-	-
Total	-	-	-	**54,676**	**54,676**	-	-	-	-

The following table shows the carrying amounts and fair values of Financial Assets and Financial Liabilities as at March 31, 2022

Particulars	Carrying Amount					Fair value			
	FVTPL	FVOCI	Other Financial Assets at Amortised Cost	Other Financial Liabilities at Amortised Cost	Total Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in equity instruments	1,011	-	-	-	1,011	1,011	-	-	1,011
Total	**1,011**	-	-	-	**1,011**	**1,011**	-	-	**1,011**
Financial Assets									
Other Financial Assets		-	2,643	-	2,643	-	-	-	-
Trade Receivables	-	-	23,233	-	23,233	-	-	-	-
Cash and Cash Equivalents	-	-	1,581	-	1,581	-	-	-	-
Other Bank Balances	-	-	236	-	236	-	-	-	-
Total	-	-	**27,693**	-	**27,693**	-	-	-	-
Financial Liabilities									
Borrowings	-	-	-	15,233	15,233	-	-	-	-
Lease Liabilities	-	-	-	17,201	17,201	-	-	-	-
Trade Payables	-	-	-	10,176	10,176	-	-	-	-
Other Financial Liabilities	-	-	-	12,229	12,229	-	-	-	-
Total	-	-	-	**54,839**	**54,839**	-	-	-	-

B. **Measurement of fair values**

i. Valuation techniques and significant unobservable inputs

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

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

ii. Level 1 fair values

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

Particulars	Fair values Equity
Balance at March 31, 2022	**1,011**
Current Investments during the year	100
Net Gain on investments measured at FVTPL	8
Equity Investments through Other Comprehensive Income	-
Sale proceeds of Non-Current Investments	(1,119)
Balance at March 31, 2023	-

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.

C. **Financial risk management**

The Group's has exposure to the following risks arising from financial instruments:

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

Risk management framework

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

The Group's activities expose it to credit risk, liquidity risk and market risk. The Group's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Group'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 Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, 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 Group's activities.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

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(a) Trade receivables

As per simplified approach, the Group 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 Group uses expected credit loss model to assess the impairment loss or gain in accordance with Ind AS 109. The Group uses a provision matrix to compute the credit loss allowance for trade receivables.

The movement of Trade Receivables and Expected Credit Loss are as follows :

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables (Gross)	33,986	29,068
Less: Expected Credit Loss	(7,308)	(5,835)
Trade Receivables (Net)	**26,678**	**23,233**

Reconciliation of Expected Credit Loss (Trade receivables)	Amount
Expected Credit loss as at March 31, 2021	**4,275**
Allowance for Expected Credit Loss	1,560
Bad debts and Irrecoverable Balances Written off	-
Expected Credit loss as at March 31, 2022	**5,835**
Allowance for Expected Credit Loss	2,555
Bad debts and Irrecoverable Balances Written off	(1,082)
Expected Credit loss as at March 31, 2023	**7,308**

(b) Loans and Advances

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

Particulars	As at March 31, 2023	As at March 31, 2022
Other Advances Receivables (Gross)	3,130	2,483
Less: Expected Credit Loss	(2,327)	(2,321)
Loans and advances (Net)	**803**	**162**

Reconciliation of Loss Allowance on Advances	Amount
Expected Credit Loss as at March 31, 2021	**2,319**
Allowance for Expected Credit Loss	2
Expected Credit Loss as at March 31, 2022	**2,321**
Allowance for Expected Credit Loss	6
Expected Credit Loss as at March 31, 2023	**2,327**

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 Group 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 Group'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 Group's liquidity position through rolling forecasts on the basis of expected cash flows. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required; such credit facilities are reviewed at regular intervals. Thus, no liquidity risk is perceived at present.

The Group'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 Group's reputation.

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

March 31, 2023	Carrying Amount	Contractual cash flows			
		Total	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	12,450	12,450	12,449	1	-
Trade Payables	9,515	9,515	9,515	-	-
Other Financial Liabilities	13,084	13,084	13,084	-	-
Total	**35,049**	**35,049**	**35,048**	**1**	**-**

March 31, 2022	Carrying Amount	Contractual cash flows			
		Total	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	15,233	15,233	14,379	855	-
Trade Payables	10,176	10,176	10,176	-	-
Other Financial Liabilities	12,229	12,229	12,229	-	-
Total	**37,638**	**37,638**	**36,784**	**855**	**-**

(iii) Floating exchange rate and Interest risk:

Floating exchange rate

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

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The total unhedged foreign currency exposure at the year end towards Trade Receivable & Trade Payable is ₹ 1.5 Lakhs (Previous year ₹ 53 Lakhs) and ₹ 2.82 Lakhs (Previous Year ₹ 29 Lakhs) respectively. The Company does not have significant foreign currency exposure and hence, is not exposed to any significant foreign currency risk.

Interest rate risk

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

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

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed rate instruments		
Financial Liabilities		
Term Loan From Banks	11	1,010
Deposits from Public	99	404
Term Loan From Financial Institutions	-	14
	110	**1,428**
Variable rate instruments		
Financial Liabilities		
Cash Credit	12,340	13,806
	12,340	**13,806**
Total	**12,450**	**15,234**

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Sensitivity analysis

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

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

Particulars	Effect on Profit before tax		Consequential effect on Equity before tax	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Variable rate instruments - decrease by 100 basis points	123	138	123	138
Variable rate instruments - increase by 100 basis points	(123)	(138)	(123)	(138)

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

Equity risk

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

Sensitivity analysis

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

Particulars	Effect on Profit before tax		Consequential effect on Equity before tax	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
NSE Nifty 50 - increase by 10% (March 31, 2022: 10%)	-	101	-	101
NSE Nifty 50 - decrease by 10% (March 31, 2022: 10%)	-	(101)	-	(101)

44. Capital management

The Group'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 Group monitors the return on capital, as well as the level of dividends to equity shareholders. The Group 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 Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders and debt includes borrowings.

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

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings (Including Current maturities of Long term Borrowings)	12,450	15,233
Less:		
Cash and Cash Equivalents	(1,893)	(1,581)
Bank Balances other than Cash and Cash Equivalents	(7,759)	(237)
Net Debt	**2,798**	**13,415**
Equity	61,467	55,985
Debt to Equity ratio	0.05	0.24

45. Earning Per Share	Year Ended March 31, 2023	Year Ended March 31, 2022
Profit/(Loss) for the year	(928)	887
Weighted average number of shares outstanding (Nos.)	12,54,41,055	12,27,53,182
Diluted average number of shares outstanding (Nos.)	12,54,41,055	12,55,29,164
Basic Earnings Per Share (In ₹)	(0.74)	0.72
Diluted Earnings Per Share (In ₹)	(0.74)	0.71
Nominal value of shares outstanding (In ₹)	2	2

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46. Related Party Disclosures

(A) Names of related parties and related party relationship for the year ended March 31, 2023

i) Holding Company	1. Allcargo Logistics Limited	
ii) List of Directors & Key Managerial Personnel	1. Mr Shashi Kiran Shetty	– Chairman and Managing Director
	2. Mr P N Shukla	– Director (Resigned w.e.f August 03, 2021)
	3. Mr Yasuhiro Kaneda	– Nominee Director (Resigned w.e.f July 01, 2022)
	4. Mr Kaiwan Kalayaniwalla	– Director
	5. Ms. Cynthia D'Souza	– Independent Director
	6. Mr. Dinesh Kumar Lal	– Independent Director
	7. Mr. Yasuyuki Tani	– Nominee Director (Appointed w.e.f August 02, 2022)
	8. Mr. Nilesh Shivji Vikamsey	– Independent Director
	9. Ms. T S Maharani	– Company Secretary and Compliance Officer
	10. Mr. Pirojshaw Sarkari (Phil)	– Chief Executive Officer (w.e.f. August 09, 2021)
	11. Mr. Anish Mathew	– Chief Financial Officer (Appointed w.e.f February 04, 2022)
	12. Mr. Rohan Mittal	– Chief Financial Officer (Resigned w.e.f November 12, 2021)
	13. Mr. Bala Subramanian Aghoramurthy	– Executive director (Resigned on August 11, 2021)
	14. Mr. Adarsh Hegde	– Executive director (w.e.f October 05, 2020)
	15. Mr. R Ramachandran	– Non Executive director
	16. Ms. Sheela Bhide	– Non Executive director
	17. Mr. Kok Seng Tan	– Non Executive director (till June 01, 2021)
	18. Mr. Kazuhisa kawamura	– Non Executive director (till June 01, 2021)
iii) Entities in which Non Executive Director having significant influence	1. M/s Maneksha & Sethna	
iv) Fellow Subsidiaries	1. Allcargo Inland Park Private Limited	
	2. Comptech Solutions Private Limited	
	3. Allcargo Supply Chain Private Limited *	
	4. Gati Cargo Express (Shanghai) Co. Limited	
	5. Allcargo Logistics Park Private Limited	
	6. Allcargo Multimodal Private Limited #	
v) Associate	1. Gati Ship Limited	
vi) Entities in which significant influence exists	1. Talentos (India) Private Limited	
	2. Conserve Buildcon LLP (w.e.f Nov 01, 2022)	
	3. National Institute of Industrial Engineering (w.e.f March 17, 2022)	
vii) Entities under common influence with the company	1. Kintetsu World Express (India) Private Limited	

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

46. Related party disclosures (contd..)

(B) Summary of the transactions with related parties

SL. No	Nature of Transaction	Key Managerial Personnel (KMP) & Relatives		Fellow Subsidiaries & Entities in which having significant influence and common influence		Holding Company		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
a)	**EXPENDITURE**								
	Lease Rentals								
	Allcargo Logistics Limited	-	-	-	-	7	5	7	5
	Allcargo Inland Park Private Limited	-	-	(9)	120	-	-	(9)	120
	Allcargo Multimodal Private Limited #	-	-	378	-	-	-	378	-
	Allcargo Supply Chain Private Limited *	-	-	115	101	-	-	115	101
	Comptech Solutions Private Limited	-	-	42	12	-	-	42	12
	Talentos (India) Private Limited	-	-	45	34	-	-	45	34
		-	-	571	267	7	5	578	272
	Freight Expenses								
	Allcargo Logistics Limited	-	-		-	2	-	2	-
		-	-	-	-	2	-	2	-
	Other Expenses								
	Allcargo Supply Chain Private Limited *	-	-	3	1	-	-	3	1
	Conserve Buildcon LLP	-	-	100	-	-	-	100	-
	All Cargo Logistics Limited	-	-	-	-	33	4	33	4
	Prism Global Limited	-	-	16	-	-	-	16	-
	Kintentsu World Express (India) Private Limited	-	-	16	13	-	-	16	13
	National Institute of Industrial Engineering	-	-	1	-	-	-	1	-
	Allcargo Multimodal Private Limited ##	-	-	91	-	-	-	91	-
	Comptech Solutions Private Limited	-	-	6	-	-	-	6	-
	ECU Hold NV	-	-	0	-	-	-	0	-
		-	-	233	14	33	4	266	18
	Remuneration								
	Mr. Bala Aghoramurthy	-	122	-	-	-	-	-	122
	Mr. Adarsh Hedge	150	150	-	-	-	-	150	150
	Mr. Rohan Mittal	-	171	-	-	-	-	-	171
	Ms. T S Maharani	39	42	-	-	-	-	39	42
	Mr.Pirojshaw A Sarkari	288	116	-	-	-	-	288	116
	Mr Anish T Mathew	99	16	-	-	-	-	99	16
		576	617	-	-	-	-	576	617
	Management Fees								
	Allcargo Supply Chain Private Limited *	-	-	140	112	-	-	140	112
	Allcargo Logistics Limited	-	-	-	-	502	324	502	324
		-	-	140	112	502	324	642	436
	Legal and Professional Expenses	-							
	M/s Maneksha & Sethna	-	-	-	28	-	-	-	28
		-	-	-	28	-	-	-	28

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

46. Related party disclosures (contd..)

(B) Summary of the transactions with related parties

SL. No	Nature of Transaction	Key Managerial Personnel (KMP) & Relatives		Fellow Subsidiaries & Entities in which having significant influence and common influence		Holding Company		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
	Directors Sitting Fee								
	Mr. P N Shukla	-	1	-	-	-	-	-	1
	Ms. Cynthia D'Souza	1	1	-	-	-	-	1	1
	Mr. Dinesh Kumar Lal	3	3	-	-	-	-	3	3
	Mr. Nilesh Shivji Vikamsey	4	4	-	-	-	-	4	4
	Ms. Sheela Bhide	1	1	-	-	-	-	1	1
	Mr. R Ramachandran	-	2	-	-	-	-	-	2
		9	12	-	-	-	-	9	12
	Capitalization								
	Conserve Buildcon LLP	-	-	492	-	-	-	492	-
		-	-	492	-	-	-	492	-
b)	**INCOME**								
	Freight								
	Kintentsu World Express (India) Private Limited	-	-	1,362	843	-	-	1,362	843
	Gati Cargo Express (Shanghai) Co. Limited	-	-	18	108	-	-	18	108
	Allcargo Logistics Park Private Limited	-	-	-	0	-	-	-	0
	Allcargo Supply Chain Private Limited *	-	-	1	15	-	-	1	15
	Allcargo Logistics limited	-	-	-	-	9	9	9	9
		-	-	1,381	966	9	9	1,390	975
	Warehouse Income								
	Allcargo Supply Chain Private Limited*	-	-	20	3	-	-	20	3
	Kintentsu World Express (India) Private Limited	-	-	6	6	-	-	6	6
	Gati Cargo Express (Shanghai) Co. Limited	-	-	71	59	-	-	71	59
		-	-	97	68	-	-	97	68
	Management Fees								
	Allcargo Logistics Limited	-	-	-	-	191	203	191	203
	Allcargo Supply Chain Private Limited *	-	-	91	22	-	-	91	22
		-	-	91	22	191	203	282	225
	Sale of Assets								
	Allcargo Logistics Limited	-	-	-	-	23	-	23	-
		-	-	-	-	23	-	23	-

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Notes to the Consolidated Financial Statements as at and for the Year Ended March 31, 2023
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46. Related party disclosures (contd..)

(C) Summary of closing balances with related parties

SL. No	Particulars	Holding Company		Associates		Fellow Subsidiaries & Entities in which having significant influence and common influence		Total	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
a)	**Trade Receivable**								
	Kintentsu World Express (India) Private Limited	-	-	-	-	163	196	163	196
	Gati Cargo Express (Shanghai) Co Limited	-	-	-	-	40	77	40	77
	Allcargo Logistics Limited	11	1	-	-	-	-	11	1
		11	1	-	-	203	273	214	274
	Other Receivables								
	Allcargo Supply Chain Private Limited*	-	-	-	-	40	21	40	21
	Allcargo Logistics Limited	728	23	-	-	-	-	728	23
	Gati Ship Limited	-	-	0	0	-	-	0	0
		728	23	0	0	40	21	768	44
b)	**Deposit Given**								
	Comptech Solutions Private Limited	-	-	-	-	24	-	24	-
	Talentos (India) Private Limited	-	-	-	-	23	23	23	23
	Allcargo Multimodal Private Limited #	-	-	-	-	157	63	157	63
		-	-	-	-	204	86	204	86
c)	**Trade Payables**								
	Gati Cargo Express (Shanghai) Co Limited	-	-	-	-	-	18	-	18
		-	-	-	-	-	18	-	18
d)	**Other Payables**								
	Allcargo Logistics limited	104	1	-	-	-	-	104	1
	Comptech Solutions Private Limited	-	-	-	-	5	11	5	11
	Kintentsu World Express (India) Private Limited	-	-	-	-	3	2	3	2
	Allcargo Supply Chain Private Limited *	-	-	-	-	23	34	23	34
	Allcargo Inland Park Private Limited	-	-	-	-	-	124	-	124
	Allcargo Multimodal Private Limited #	-	-	-	-	48	-	48	-
	Talentos (India) Private Limited	-	-	-	-	4	-	4	-
	Prism Global Limited	-	-	-	-	6	-	6	-
	Conserve Buildcon LLP	-	-	-	-	47	-	47	-
		104	1	-	-	136	171	240	172
e)	**Investment held for sale**								
	Gati Ship Limited - Equity Shares	-	-	8,623	8,623	-	-	8,623	8,623
	Impairment on Gati Ship Limited - Equity shares	-	-	(8,623)	(8,623)	-	-	(8,623)	(8,623)
		-	-	-	-	-	-	-	-

* Avvashya CCI Logistics Private Limited demerged as Avvashya Supply Chain Private Limited w.e.f March 01, 2023 & Avvashya Supply chain Private Limited company name got changed as Allcargo Supply Chain Private Limited w.e.f March 30, 2023.

Allcargo Multimodal Private Limited is demerged from Allcargo Inland Park Private Limited w.e.f March 01, 2022

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

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

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

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

(v) Wherever amounts are "0", the value is less than rupees fifty thousand.

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47. The value of company's investment in an associate had been fully provided in earlier years therefore the share of loss in that has not been considered in consolidated accounts.

48. The Investment of ₹ 3,457 lakhs and ₹ 993 lakhs in Optionally Convertible Debentures (OCDs) of AmritJal Ventures Pvt Ltd (AJVPL) and Gati Infrastructure Sada-Mangder Private Limited (GISMPL) respectively, had been disposed off during the previous year ended March 31, 2022 at the sale consideration of ₹ 0.25 lakhs for each investment. Gain of ₹0.5 lakhs had been recognised on the disposal of investment as such investments were fully provided in books of accounts in the earlier years. In addition to the above mentioned sale consideration, in case of AJVPL, company has also received ₹ 10 lakhs through the Corporate Insolvency resolution process under "Insolvency and Bankruptcy Code (IBC) 2016, such amount has been shown in "other current financial liabilities".
The Interest accrued and receivables over years on such OCDs of ₹ 1,768 lakhs and ₹ 389 lakhs had also been written off during the year ended March 31, 2022 for which fair valuation had been done in an earlier year to Nil value, therefore there is no financial impact in financial statements of the year ended March 31, 2022.

49. During the previous year, the Board of Directors of the Company vide its meeting held on October 26, 2021 and the Shareholders of the Company through Postal Ballot by e-voting on December 17, 2021 have approved the shifting of Registered Office of the Company from the "State of Telangana" to the "State of Maharashtra at Mumbai", subject to the approval of the Hon'ble Regional Director, South East Region, Hyderabad. Further, the Company has filed the relevant application with the said Hon'ble Regional Director, Hyderabad as per the provisions of the Companies Act, 2013 seeking approval for the same and the matter is still pending for the order. The Company had filed an IA with NCLT, Hyderabad in the main petition praying for the shifting of Registered office of Gati Limited from the State of Telangana to the State of Maharashtra at Mumbai, and NCLT vide its order passed on April 25, 2023 ("said order"), given a direction to the company to file Form INC-23 and also directing the Regional Director to examine and take decision not later than 15 days from the date of submission of application. The Company had already filed the said Form INC-23 on January 29, 2022 which is pending for approval and further filed an affidavit with the Hon'ble High Court of Telangana for withdrawal of the writ petition filed earlier.

50. During the current year, the Allcargo Logistics Limited ("Parent Company") has signed the Share Purchase Agreement on March 27, 2023 with KWE-Kintetsu World Express (S) Pte Ltd and KWE Kintetsu Express (India) Private Limited ("KWE/KWE GROUP") for acquisition of 30% stake of KWE held in Gati-Kintetsu Express Private Limited ("GKEPL"), material subsidiary Company.

51. The Board of Directors of the Company at its Meeting held on May 19, 2023 granted an in-principle approval for the sale of its Fuel Station business consisting of 3 Fuel Pumps located at Bengaluru, Belgaum and Indore to Gati Projects Private Limited, wholly-owned subsidiary or such other party(ies) as may be determined by the Board of Directors of the Company from time to time. The aforesaid transaction shall materialise only upon receipt of required approvals from Oil Marketing Companies (OMCs) followed by formal approval of the Board and the shareholders of the Company for the effective implementation of sale / transfer / disposaloff of the undertaking of the company at a future date.

52. Company has adopted an Asset Light Strategy, basis which the decision was taken to sell the all the non-core immovable properties and use the proceeds from such sale to pay the debt. Net carrying value of assets classified held for sale as at March 31, 2023 amounts to ₹ 7,388 Lakhs (March 31, 2022 - ₹ 13,264 lakhs). Exceptional item refers to loss on fair value of such assets as at March 31, 2023 in line with Ind AS 105. The company has taken necessary steps and negotiation is ongoing with the prospective buyers for the sale of assets classified as AHS which is expected to be concluded in next one year.

53. Under 'The Direct Tax Vivad se Vishwas Act, 2020 (the scheme), the Department accepted the applications of the Company and the tax liability was assessed at ₹ 3,257 lakhs for which company had created provision in the earlier years, out of which ₹ 1,000 lakhs were paid in the financial year 2020-21. Further balance liability of ₹ 2,257 lakhs has been discharged during the previous financial year. With this the total assessed tax liability under VsV Scheme stands closed.

54. **Other statutory information**
(i) The Group has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 except for the following:

Name of Company	Nature of transactions	Balance as at March 31, 2023	Balance as at March 31, 2022
Nova Enterprises Private Limited	Receivables	-	22
Synthiko Formulations And Chemicals Limited	Receivables	-	1
A.S. Enterprises Private Limited	Receivables	-	1
Welcome Trademart Private Limited	Receivables	-	1
Indo American Vitamin Foods Private Limited	Receivables	310	1
Alok Leasing Private Limited	Receivables	1	-
Apurva Organics Limited	Receivables	1	-
Bgrg Electrosoft Private Limited	Receivables	1	-
Crown Closures Private Limited	Receivables	0	-
Danfoss Industries Private Limited	Receivables	67	-
Ford India Private Limited	Receivables	73	-
Gilard Electronics Private Limited	Receivables	0	-
Inox India Private Limited	Receivables	2	-
Jassonia Enterprises India Private Limited	Receivables	2	-
Madura Coats	Receivables	2	-
Thermadyne Private Limited	Receivables	0	-
Welspun India Limited	Receivables	1	-
Total		**460**	**26**
DRS Enterprises Private Limited	Payables	-	4
Sangam Enterprises Private Limited	Payables	-	0
Rana Trading And Exports Private Limited	Payables	-	0
Ashwavega Couriers &Amp; Cargos Private Limited	Payables	-	0
Mangalam Automobiles Private Limited	Payables	-	0
D G Raj Commercial Private Limited	Payables	-	3
Total		**-**	**7**

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

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

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

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

(v) The Group has not advanced or loaned or invested funds to any other person or entity, 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 Group has not received any fund from any person or entity, including foreign entities (Funding Party) during current or previous financial year with the understanding (whether recorded in writing or otherwise) that the Group 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 to or on behalf of the Ultimate Beneficiaries.

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

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

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

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MUMBAI
CHARTERED ACCOUNTANTS

GATI LIMITED
HYDERABAD

55. Analysis of Loss/(Gain) on Disposal of Gati Kausar India limited

During the previous year ended March 31, 2022, the Company had entered into a Share Purchase Agreement ("SPA") dated May 25, 2021 and transferred its 69.79% of equity holding in Gati Kausar India limited (GKIL) to Mandala Capital AG Limited for the sale consideration of ₹ 5 lakhs, pursuant to this transfer, GKIL ceased to be a subsidiary of Gati limited with effect from July 14, 2021 resulting in a gain of ₹ 6,013 lakhs on account of this loss of control. As a part of transaction one-time severance fees of ₹ 1,305 lakhs was also paid from Gati limited to GKIL as per the terms of share purchase agreement. (Refer Note on exceptional items 36).

Computation of loss on disposal of Gati Kausar India limited	Year ended March 31, 2023	Year ended March 31, 2022
Carrying value of Net Assets sold	-	(6,641)
Share of Minority Interest in the Net Assets sold	-	628
Loss/(Gain) on Disposal	**-**	**(6,013)**

Carrying amount of Gati Kausar India Limited Assets and Liabilities disposed:	July 14, 2021
Property, Plant and Equipment	3,396
Investment Property	160
Right-of-use Asset	912
Tax Assets, net	125
Other Non-Current Assets	3
Inventories	12
Financial Assets	
Other Financial Assets	88
Trade Receivables	409
Cash and Bank Balances	16
Other Assets	134
Total Assets	**5,255**
Long Term Borrowings	9,739
Lease Liabilities	1,070
Non-Current Provisions	25
Short Term Borrowings	260
Financial Liabilities	
Trade Payables	183
Others Financial Liabilities	593
Other Current Liabilities	26
Total Liabilities	**11,896**
Net Assets derecognized	**(6,641)**

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

56. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associates

Name of the Enterprise	2022-23							
	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit/(Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit/(Loss)	Amount	As % of Consolidated Profit/(Loss)	Amount	As % of Consolidated Profit/(Loss)	Amount
Parent								
Gati Limited	1.01	69,503	0.50	(543)	0.02	(15)	0.33	(558)
Subsidiaries								
Indian								
1. Gati-Kintetsu Express Private Limited	0.36	24,479	0.35	(380)	0.68	(418)	0.47	(798)
2. Gati Import Export Trading Limited	0.00	47	0.00	(5)	-	-	0.00	(5)
3. Zen Cargo Movers Private Limited	(0.00)	(44)	0.00	(3)	-	-	0.00	(3)
4. Gati Logistics Parks Private Limited	(0.02)	(1,445)	0.00	(1)	-	-	0.00	(1)
5. Gati Projects Private Limited	(0.00)	(3)	0.00	(1)	-	-	0.00	(1)
		92,537		**(933)**		**(433)**		**(1,366)**
Inter company Elimination and Consolidation Adjustment	(0.45)	(31,070)	(0.00)	5	-	-	(0.00)	5
Sub Total		**61,467**		**(928)**		**(433)**		**(1,361)**
Non Controlling Interest in all Subsidiaries	0.11	7,344	0.15	(163)	0.29	(179)	0.20	(342)
Total	1.00	**68,811**	1.00	**(1,091)**	1.00	**(612)**	1.00	**(1,703)**

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GATI LIMITED HYDERABAD

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GATI LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Gati Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as group "the Group") comprising of the consolidated Balance Sheet as at March 31,2022, the consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity, the consolidated Cash Flow Statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standard) Rules,2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, their consolidated loss including other comprehensive income, their consolidated statement of changes in equity and the consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated 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 Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our opinion on the consolidated financial statements.

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Sr. No.	Key Audit Matter	How our audit addressed the key audit matters
1	**Impairment of Goodwill (See Note 4 to the Consolidated Financial Statements)**	
	The Group holds goodwill of Rs. 42580 lakhs on the statements of financial position. The determination of the recoverable amount of goodwill is a key judgment area as small changes in assumptions made, notably in respect of the future performance of the business and the discount rates applied to future cash flows projections can result in materially different outcomes.	Our audit with respect to impairment testing of goodwill included the following: ▪ Engaging internal fair valuation experts to challenge management's underlying assumptions and appropriateness of the valuation model used. ▪ Comparing the Group's assumptions with comparable benchmarks in relation to key inputs such as long-term growth rates and discount rates. ▪ Assessing the appropriateness of the forecasted cash flows within the budgeted period based on their understanding of the business and sector experience.
2	**Recoverability of Trade Receivable (See Note 13 to the Consolidated Financial Statements)**	
	The gross balance of trade receivables as at March 31, 2022 amounted to Rs.29068 lakhs. Due to the inherent subjectivity that is involved in making judgments in relation to credit risk exposures to determine the recoverability of trade receivables, recoverability of trade receivables is considered a key audit matter.	Our audit with respect to determining recovery of trade receivables included the following: ▪ Evaluating the Group's processes and controls relating to the monitoring of trade receivables and review of credit risks of customers. ▪ Examination of management's assessment of the credit review procedures of trade receivables, obtaining trade receivable confirmations, and mapping receipts from the trade receivables after the year end on test basis. ▪ Evaluating management's assumptions used to determine the expected credit loss on trade receivables impairment amount, through detailed analyses of ageing of receivables to historical patterns of receipts, assessment of material overdue individual trade receivables and risks specific to the trade receivables.
Sr. No.	**Key Audit Matter**	**How our audit addressed the key audit matters**
3	**Reasonableness of carrying amount of Assets held for sale (See Note 17 to the consolidated financial statements)**	
	The Group has classified assets earmarked for disposal as Assets held for sales. Assets held for sales carried at fair value or cost whichever is lower. Fair value has been estimated using significant unobservable input including non–binding offers from and negotiation held with prospective buyers as a result of which fair value is sensitive to change in input assumption.	Our audit with respect to determining carrying value of Assets held for sales included the following: ▪ Evaluating the Company's processes and controls relating to the classification and valuation of assets held for sale. ▪ Examination of management's assessment of expectation of outcome of negotiation with prospective buyer. ▪ Review of independent valuation report of independent external valuer.

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

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

Management's Responsibility for the Consolidated Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS). The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the each 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is also responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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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 consolidated 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 consolidated 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 for preparation of consolidated financial statement and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (i&ii) of the section titled "Other Matters" in this audit report.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statement of which we are independent auditor 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.

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

i) The accompanying consolidated financial statement includes the unaudited financial statements and the other financial information, in respect of four Indian subsidiaries whose financial statements / financial information reflect total assets of Rs.246 Lakhs as at 31st March, 2022 and total revenue of Rs. 57 Lakhs, net loss of Rs.(263) Lakhs, total comprehensive income (comprising of loss and other comprehensive income) of Rs.(263) Lakhs for the year ended March 31, 2022 and net cash outflows amounting to Rs. 86 Lakhs for the year ended March 31, 2022, as considered in the consolidated financial statement. The unaudited financial statements have been furnished and certified to us by the management of the respective subsidiary companies. According to the information and explanation given by the management of the Holding company, these financial information are not material to the group.

ii) The accompanying consolidated statement include unaudited financial statements/ financial information of one subsidiary (Ceased to be a subsidiary w.e.f. 14th July, 2021) whose financial statements / financial information reflect total revenue of Rs.1006 Lakhs, net loss of Rs.(427) Lakhs and total comprehensive income (comprising of loss and other comprehensive income) of Rs.(427) Lakhs for the period 1st April, 2021 to 14th July, 2021 as considered in the consolidated financial statements.

The above unaudited financial statements / financial information as mentioned in other matters paragraph (i) and (ii) above has been furnished and certified to us by the management of the respective subsidiary company. According to the information and explanation given by the management of the Holding company, these financial information are not material to the group.

Our opinion on the consolidated financial statement and our report on other legal and regulatory requirement below is not modified in respect of the above matters with regard to the financial statements and information certified by the management.

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 Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of Management certified financial statement which has not been audited by us, as noted in the 'other matter' paragraph 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 of the aforesaid consolidated financial statements;

   (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;

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

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(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the relevant rules thereon.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and its subsidiary companies incorporated in India, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, refer to our separate Report in Annexure "B" to this report;

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

In our opinion and according to the information and explanations given to us the remuneration paid during the current year by one of the subsidiary to its directors is in accordance with provision of section 197 of the Act; and

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the management certified financial Statement on separate financial statements and also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 40, 51 to the consolidated financial statements;

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

iii. There has been no delay in transferring amounts, 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, other than as disclosed in the notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies incorporated in India or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies, incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

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

(i) The Holding Company and respective subsidiary companies have not declared any dividend in the last year which has been paid in the current year. Further, no dividend has been declared in the current year.

For SINGHI & CO.
Chartered Accountants
Firm Registration No.302049E

SINGHI & CO. ★ Chartered Accountants ★

(Anurag Singhi)
Partner
Membership No. 066274
UDIN - 22066274AJIQIM4959

Place: **NEW DELHI**
Date:20th **May,2022**

Annexure A to the Independent Auditors' Report on consolidated financial statements of Gati Limited for the year ended 31 March 2022

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

In terms of the information and explanations sought by us and given by the Holding 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. Qualifications or adverse remarks given by us in the respective Companies (Auditors Report) Order (CARO) reports included in the consolidated financial statements are:

Sl.No.	Name	CIN	Holding company / Subsidiary	Clause number of the CARO report which is qualified or is adverse
1	Gati Limited	L63011TG1995PLC020121	Holding company	xvii,
2	Gati Kintetsu Express private Limited	U62200TG2007PTC056311	Subsidiary	i(c),ii(b)

ii. The above does not include comments, if any, in respect of the following entities as the CARO report relating to them has not been issued by its auditor till the date of principal auditor's report.

Name of entities	CIN	Subsidiaries
Gati Import Export Trading Limited	U60232TG2008PLC057692	Subsidiary
Zen Cargo Movers Private Limited	U64120DL2007PTC160560	Subsidiary
Gati Kausar India Limited	U74899TG1984PLC089495	Subsidiary (Ceased to be a subsidiary w.e.f. 14th July, 2021)
Gati Logistics Parks Private Limited	U63030TG2011PTC072285	Subsidiary
Gati Project Private Limited	U45400TG2011PTC072399	Subsidiary

For SINGHI & CO.
Chartered Accountants
Firm Registration No.302049E

SINGHI & CO. ★ Chartered Accountants ★

(Anurag Singhi)
Partner
Membership No. 066274
UDIN - 22066274AJIQIM4959

Place: NEW DELHI
Date:20th May,2022

Annexure - B to the Independent Auditor's Report

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

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

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statement of Gati Limited ('the Holding Company') and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to financial statement based on the criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to group'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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on holding Company's internal financial controls with reference to consolidated financial statement based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statement 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 consolidated financial statement and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 internal financial control system over financial reporting of the Holding Company and its subsidiaries, which are companies incorporated in India.

SINGHI & CO. ★ Chartered Accountants ★

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the group has, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal financial control with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However certain controls in respect of the revenue contract mapping needs to be further strengthened in case of holding company and one of the subsidiary Gati Kintetsu Express private Limited.

For SINGHI & CO.
Chartered Accountants
Firm's Registration No. 302049E

SINGHI & CO. ★ Chartered Accountants ★

(Anurag Singhi)
Partner
Membership No. 066274
UDIN - 22066274AJIQIM4959

Place: NEW DELHI
Date: 20th May, 2022

GATI LIMITED

Consolidated Balance Sheet as at March 31, 2022

(₹ in Lakhs)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	3A	6,664	14,357
Right of use assets	3B	17,577	7,273
Goodwill	4	42,580	42,580
Other Intangible Assets	5	450	555
Intangible Assets under Development	6	59	-
Financial Assets			
Others	7	871	538
Deferred tax Assets (Net)	8	2,781	2,440
Non-Current tax Assets (Net)	9	7,178	8,335
Other non-current assets	10	169	309
		78,329	**76,387**
CURRENT ASSETS			
Inventories	11	279	382
Financial assets			
Investments	12	1,011	-
Trade receivables	13	23,233	19,546
Cash and cash equivalents	14A	1,581	4,247
Bank Balances other than above	14B	236	1,381
Other Financial Assets	15	1,772	2,277
Other current assets	16	3,328	3,507
Assets classified as held for sale	17	13,264	15,988
		44,704	**47,328**
TOTAL ASSETS		**1,23,033**	**1,23,715**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	18	2,459	2,439
Other Equity	19	53,526	50,071
Equity attributable to owners of the company		55,985	**52,510**
Non controlling interest		7,686	8,472
TOTAL EQUITY		**63,671**	**60,982**
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities			
Borrowings	20	854	2,620
Lease Liabilities	21	14,005	6,040
Other financial liabilities	22	12	24
Provisions	23	1,541	1,096
		16,412	**9,780**
CURRENT LIABILITIES			
Financial liabilities			
Borrowings	24	14,379	24,982
Lease Liabilities	21	3,196	1,137
Trade payables	25		
(a) Total outstanding dues of Micro and Small Enterprises		1,570	345
(b) Total outstanding dues of creditors other than Micro and Small Enterprises		8,606	8,563
Other financial liabilities	26	12,217	12,457
Other current liabilities	27	2,453	2,824
Current Tax Liabilities	28	-	2,257
Provisions	29	529	389
		42,950	**52,953**
TOTAL LIABILITIES		**59,362**	**62,733**
TOTAL EQUITY AND LIABILITIES		**1,23,033**	**1,23,715**

Significant accounting policies and key accounting estimates and judgements 1&2

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

As per our report of even date

For and on behalf of the Board of Directors

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

Anurag Singhi
Partner
Membership no: 066274

Place: New Delhi
Date: May 20, 2022

SINGHI & CO. ★ Chartered Accountants ★

Shashi Kiran Shetty
Chairman & Managing Director
DIN: 00012754

Pirojshaw Sarkari
Chief Executive Officer

GATI LIMITED HYDERABAD

Anish T Mathew
Chief Financial Officer
M. No. 211965

T S Maharani
Company Secretary
M. No: F8069

Place: Hyderabad
Date: May 20, 2022

GATI LIMITED

Consolidated Statement of Profit and Loss for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Notes	Year Ended March 31, 2022	Year Ended March 31, 2021
I INCOME			
Revenue from Operations	30	1,48,994	1,31,424
Other Income	31	1,530	1,041
TOTAL INCOME (I)		**1,50,524**	**1,32,465**
II EXPENSES			
Operating Expenses	32	92,696	74,689
Purchase of Stock-in-trade		22,162	23,919
Changes in Inventories of Stock-in-Trade	33	53	335
Employee Benefit Expense	34	15,805	16,291
Finance Costs	35	2,732	4,514
Depreciation and Amortisation expense	36	3,492	4,013
Other Expenses	37	14,839	13,475
TOTAL EXPENSES (II)		**1,51,779**	**1,37,236**
III PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)		**(1,255)**	**(4,771)**
IV Exceptional Items	38	(1,205)	20,486
V PROFIT/(LOSS) BEFORE TAX (III-IV)		**(50)**	**(25,257)**
VI TAX EXPENSES	39		
Current Tax		231	-
Deferred Tax		(242)	(1,718)
Income Tax for earlier years		404	1,054
TOTAL TAX EXPENSES		**393**	**(664)**
VII PROFIT/(LOSS) FOR THE YEAR (V-VI)		**(443)**	**(24,593)**
VIII OTHER COMPREHENSIVE INCOME (OCI)			
A) Items not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gains/ (losses) on defined benefit plans		(425)	(258)
Income tax effect on above items		105	83
B) Items will be reclassified to profit or loss in subsequent periods:			
Exchange difference arising on translation of foreign operations		-	1,088
Income tax effect on above items		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX)		**(320)**	**913**
IX TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VII+VIII)		**(763)**	**(23,680)**
X Profit/(Loss) for the year		**(443)**	**(24,593)**
Attributable to:			
Owners of the company		887	(22,788)
Non-Controlling Interests		(1,330)	(1,805)
Total comprehensive income for the year		**(763)**	**(23,680)**
Attributable to:			
Owners of the company		661	(21,802)
Non-Controlling Interests		(1,424)	(1,878)
EARNINGS PER EQUITY SHARE			
(NOMINAL VALUE PER SHARE: ₹ 2/- (PREVIOUS YEAR ₹ 2/-))			
Basic (In ₹)		(0.36)	(18.69)
Diluted (In ₹)		(0.36)	(18.69)

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

As p As per our report of even date

For and on behalf of the Board of Directors

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

Anurag Singhi
Partner
Membership no: 066274

Place: New Delhi
Date: May 20, 2022

Shashi Kiran Shetty
Chairman & Managing Director
DIN: 00012754

Pirojshaw Sarkari
Chief Executive Officer

Anish T Mathew
Chief Financial Officer
M. No. 211965

T S Maharani
Company Secretary
M. No: F8069

Place: Hyderabad
Date: May 20, 2022

GATI LIMITED

Consolidated Cash Flow Statement for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A: Cash Flow From Operating Activities		
Net Profit/(Loss) Before Taxes after exceptional items as per Statement of Profit and Loss	(50)	(25,257)
Adjustments For :		
Depreciation and Amortisation expense	3,492	4,013
Net (gain)/ loss on sale of Property, plant & equipment	238	1,784
Expenses on Employee Stock Option scheme	-	1
Finance Costs	2,732	4,513
Interest Income on deposits with bank & others	(40)	(159)
Interest on refund of Income tax	(275)	(309)
Net Foreign Exchange (gain)/ Loss	(2)	9
Allowance for Doubtful Receivables	1,731	1,158
Bad debts and irrevocable balances written off	112	393
Provision towards advance	0	2,474
Liability no longer required - written back	(1,014)	(126)
Impairment allowance on Property, plant & Equipment	524	-
Net gain on sale of investments	(1)	(111)
Allowance for Expiry Stock	42	14
Net gain on sale of Mutual Funds	(19)	(80)
Provision for loss allowances recognised in earlier years	(62)	(292)
(Gain)/loss on disposal of Profit on disposal of Subsidiary	(6,012)	1,127
Severance payment on disposal of Investment in Gati Kausar India Limited	1,305	-
Provision for GST related expenses (Net of amount paid)	1,189	-
Net (gain)/ loss on sale of Assets classified as held for sale	78	-
Provision for Employees Share appreciation rights	33	-
Net (gain)/loss on Asset held for sale Classification	1,302	15,348
Net (gain)/ loss on Lease modification	47	-
Operating profit before changes in operating assets and liabilities	**5,350**	**4,500**
Adjustment for changes in operating assets and liabilities:		
Decrease / (Increase) In Trade Receivables	(5,478)	(597)
Decrease / (Increase) In Inventories	48	567
Decrease / (Increase) in Other Current Assets	46	(1,296)
Decrease / (Increase) in Other Current Financial Assets	(376)	211
Decrease / (Increase) in Loans and Other Non Current Assets	(197)	45
Increase / (Decrease) In Trade Payables	2,067	(2,234)
Increase / (Decrease) in Non Current Liabilities	-	37
Increase / (Decrease) in Current Financial Liabilities	(375)	2,255
Increase / (Decrease) in Current Liabilities	(354)	1,956
Increase / (Decrease) in Provisions	194	230
Cash generated from Operating Activities	**926**	**5,674**
Direct Taxes paid (net of refunds)	(1,580)	(783)
Net Cash generated/(used) in Operating Activities (A)	**(654)**	**4,891**
B: Cash Flow From Investing Activities		
Sale proceeds from Property, Plant and Equipment	4,720	5,889
Purchase of Property, Plant and Equipment including Capital work in progress	(859)	(498)
Purchase of Intangible Assets	(59)	(158)
Sale proceeds from Current Investments	4,408	7,862
Purchase of Current Investments	(5,399)	-
Sale proceeds/(Purchase) from Non current Investments	-	111
Interest Received	47	159
Investment in/Proceeds from bank Fixed Deposit (Net)	1,141	111
Severance payment on disposal of Investment in Gati Kausar India Limited	(1,305)	-
Net Cash generated/(used) in Investing Activities (B)	**2,694**	**13,476**
C: Cash Flow From Financing Activities		
Proceeds from issue of Equity Shares (Net of Issue expenses)	2,737	-
Proceeds from Public deposits	-	44
Repayment of Public desposits	(297)	(670)
Proceeds of Long term borrowings	-	1,327
Repayment of Long term borrowings	(1,801)	(12,666)
Payment of Principal Portion of Lease liabilities	(1,676)	(986)
Payment of interest on Lease liabilities	(985)	(909)
Movement in Short term borrowings (Net)	(449)	(872)
Finance Costs	(2,222)	(2,608)
Net Cash generated/(used) from Financing Activities (C)	**(4,693)**	**(17,340)**

GATI LIMITED HYDERABAD

SINGHI & CO. Chartered Accountants

GATI LIMITED
Consolidated Cash Flow Statement for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	**(2,653)**	**1,028**
Cash and Cash Equivalents as at the beginning of the year	4,247	3,366
Less Cash and cash equivalents of disposed subsidiary	(12)	(147)
Cash and Cash Equivalents as at the Year ended	**1,581**	**4,247**

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. Components of cash and cash equivalents

Balance with Banks:		
On Current Accounts	1,504	4,129
Deposits with original maturity of less than three months	57	79
Cash on hand	20	39
Cash and Cash Equivalents (Refer Note 14A)	**1,581**	**4,247**

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

(₹ in Lakhs)

	Public Deposits	Short Term Borrowings	Long Term Borrowings *	Lease liabilities	Interest Accrued but not due
Balance as at April 1, 2020	1,268	15,388	23,060	7,917	228
Cash Flow Changes (Net)	(605)	(872)	(11,339)	(986)	-
Interest Expense	-	-	-	910	3,604
Interest Paid	-	-	-	(909)	(2,608)
Others			702	246	(720)
Balance as at March 31, 2021	**663**	**14,516**	**12,423**	**7,177**	**504**
Cash Flow Changes (Net)	(259)	(449)	(1,801)	(1,676)	-
Interest Expense	-	-	-	985	1,747
Interest Paid	-	-	-	(985)	(2,222)
Others	-	(260)	(9,598)	11,700	-
Balance as at March 31, 2022	**404**	**13,806**	**1,024**	**17,201**	**29**

(*) Includes current maturities of long term borrowings

Note :
1) Public deposits balance does not include the obligation related to unpaid matured deposits which is grouped under "Other Current Financial liabilities".
2) Others represent adjustment on account of de-recognition of liabilities related to "Gati Kausar India limited", which ceased to be a subsidiary with effect from July 14, 2021 and non-cash movement in lease liabilities. (Refer Note 41 & 61).

As per our report of even date

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

Anurag Singhi
Partner
Membership no: 066274

Place: New Delhi
Date: May 20, 2022

SINGHI & CO. ★ Chartered Accountants ★

For and on behalf of the Board of Directors

Shashi Kiran Shetty
Chairman & Managing Director
DIN: 00012754

Pirojshaw Sarkari
Chief Executive Officer

Anish T Mathew
Chief Financial Officer
M. No. 211965

GATI LIMITED HYDERABAD

T S Maharani
Company Secretary
M. No: F8069

Place: Hyderabad
Date: May 20, 2022

GATI LIMITED

Consolidated Statement of Changes in Equity for the year ended March 31, 2022

A) Equity Share Capital

(₹ in Lakhs)

Particulars	No. of Shares	Amount
Balance as at March 31, 2020	12,19,45,977	2,439
Changes in Equity Share Capital for the year ended March 31, 2021	-	-
Balance as at March 31, 2021	12,19,45,977	2,439
Changes in Equity Share Capital for the year ended March 31, 2022	10,23,020	20
Balance as at March 31, 2022	12,29,68,997	2,459

B) Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus							Foreign Currency Translation Reserve	Money received against share warrants	Equity attributable to owners of the company	Non controlling Interest	Total Equity
	Securities Premium	General Reserve	Capital Reserve	Tonnage Tax Reserve (Utilized)	Share Option Outstanding account/ESAR's	Special Reserve	Retained Earnings					
Balance as at March 31, 2021	34,100	10,505	2,084	929	-	14,707	(12,254)	-	-	50,071	8,472	58,543
Profit/(Loss) for the year	-	-	-	-	-	-	887	-	-	887	(1,330)	(443)
Adjustments during the year	-	-	-	-	-	-	21	-	-	21	638	659
Issue of shares pursuant to prefential allotment	967	-	-	-	-	-	-	-	-	967	-	967
Issue of share warants	-	-	-	-	-	-	-	-	1,750	1,750	-	1,750
Share based payment reserve-ESAR's	-	-	-	-	56	-	-	-	-	56	-	56
Other Comprehensive income	-	-	-	-	-	-	(226)	-	-	(226)	(94)	(320)
Balance as at March 31, 2022	35,067	10,505	2,084	929	56	14,707	(11,572)	-	1,750	53,526	7,686	61,212

(₹ in Lakhs)

Particulars	Reserves and Surplus							Foreign Currency Translation Reserve	Money received against share warrants	Equity attributable to owners of the company	Non controlling Interest	Total Equity
	Securities Premium	General Reserve	Capital Reserve	Tonnage Tax Reserve (Utilized)	Share Option Outstanding account/ESAR's	Special Reserve	Retained Earnings					
Balance as at March 31, 2020	34,100	10,460	2,084	929	45	14,707	10,636	(1,088)	-	71,873	10,350	82,223
Profit/(Loss) for the year	-	-	-	-	-	-	(22,788)	-	-	(22,788)	(1,805)	(24,593)
Employee stock options lapsed	-	45	-	-	(45)	-	-	-	-	-	-	-
Other Comprehensive income	-	-	-	-	-	-	(102)	1,088	-	987	(74)	913
Balance as at March 31, 2021	34,100	10,505	2,084	929	-	14,707	(12,254)	-	-	50,071	8,472	58,543

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

As per our report of even date

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

Anurag Singhi
Partner
Membership no: 066274

Place: New Delhi
Date: May 20, 2022

For and on behalf of the Board of Directors

Shashi Kiran Shetty
Chairman & Managing Director
DIN: 00012754

Pirojshaw Sarkari
Chief Executive Officer

Anish T Mathew
Chief Financial Officer
M. No. 211965

T S Maharani
Company Secretary
M. No: F8069

Place: Hyderabad
Date: May 20, 2022

1) Corporate and general information:

The consolidated financial statements comprise financial statements of Gati limited (the Company) and its subsidiaries (collectively, the Group) for the year ended 31st March, 2021. The Company is a public limited company incorporated in 1995 under provisions of the companies Act, 1956 having its Registered and Corporate Office at Plot no.20, Survey no.12, Kothaguda, Kondapur, Hyderabad - 500 084. Telangana, India. The company is primarily engaged in the business of Express distribution and Supply chain solution through Surface, Air and Rail logistics, Supply chain management (SCM), E-Commerce logistics, Freight Forwarding (Domestic and International) and Cold Chain - transportation and Warehousing, Fuel station. The company is listed on National Stock exchange (NSE) and Bombay Stock Exchange (BSE).

2) Basis of Accounting:

2.1 Statement of Compliance

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

2.2 Basis of Measurement

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

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

2.3 Functional and Presentation Currency

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

2.4 Estimation of uncertainties relating to the global health pandemic from COVID-19

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and unbilled revenues. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

2.5 Use of Estimates and Judgements

The preparation of the consolidated 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.

GATI LIMITED HYDERABAD

SINGHI & CO. Chartered Accountants

Critical accounting estimates and judgments used are as below:

(i) Defined benefit obligation
(ii) Recognition of current tax and deferred tax
(iii) Recognition and measurement of provisions and contingencies
(iv) Fair value measurement of Financial instruments
(v) Provision for Doubtful Debts and advances
(vi) Share based payments
(vii) Impairment of Goodwill

2.6 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2021. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a subsidiary of the company uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiaries financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31, 2021. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares additional financial information as on the same date for consolidation purpose to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

GATI LIMITED HYDERABAD

SINGHI & CO. Chartered Accountants

Consolidation Procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses of the parent with those of its subsidiaries.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Eliminate in full intragroup assets and liabilities, equity, income, expenses relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and Property, Plant and Equipment, are eliminated in full). Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

(c) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are translated at the average rates prevailing during the period. Assets, liabilities are translated at the closing rate. Any exchange difference arising on translation is recognised in the "Foreign Currency Translation Reserve".

(d) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

(e) **Investment in Associates**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss.

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The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

2.7 Current Vs Non-Current Classification

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

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

All the other assets are classified as non-current.

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

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

2.8 Recent accounting pronouncements

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

i. **Ind AS 103 – Reference to Conceptual Framework** - The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.

ii. **Ind AS 16 – Proceeds before intended use** - The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

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iii. **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract** - The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

iv. **Ind AS 109 – Annual Improvements to Ind AS (2021)** - The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to de-recognise a financial liability.

v. **Ind AS 116 – Annual Improvements to Ind AS (2021)** - The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

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

Significant Group Accounting Policies:

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

2.9 Property, plant and equipment

Recognition and Measurement:

- Property, plant and equipment (PPE) held for use in the supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and cumulative impairment losses (if any).
- The initial cost at cash price equivalent of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable costs of bringing the assets to its working condition and location and present value of any obligatory decommissioning costs for its intended use. Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of PPE or bringing the PPE to working condition are allocated and capitalized as a part of cost of PPE. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Capital work in progress and Capital Advances:

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

Non-current assets held for sale

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

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

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

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Subsequent Expenditure:

- Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the cost incurred will flow to the Group 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 equipments and servicing equipments that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.
- Cost in nature of repair and maintenance expenses are charged to the statement of profit or loss during the reporting period in which they are incurred.

Depreciation and Amortisation:

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

De-recognition Assets:

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

2.10 Intangible Assets:

Intangible assets are stated at acquisition cost net of accumulated amortisation or cumulative impairment, if any. The Group capitalizes identifiable costs relating to development of internally generated software and these are stated net of accumulated amortisation.

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

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

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

2.11 Leases:

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

Group as a lessee

The Group 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.

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

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

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.12 Impairment of non-financial assets.

(ii) Lease Liabilities

At the commencement date of the lease, the Group 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group 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 Group 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.

2.12 <u>Impairment of assets:</u>

a) The Group assesses at each reporting date whether there is any indication that an asset (tangible or intangible), may be impaired. If any indication exists, the Group 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.

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

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

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

2.13 Foreign currency Transactions:

a) The financial statements are presented in Indian Rupee (INR), which is the functional and presentation currency of the Company.
b) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction.
c) At each balance sheet date, foreign currency monetary items are restated using the closing exchange rate.
d) Any exchange difference on account of settlement of foreign currency transactions and restatement of monetary assets and liabilities denominated in foreign currency is recognised in the Statement of Profit and Loss.
e) Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.
f) On consolidation of subsidiaries, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in profit or loss.

2.14 Inventories:

Cost of Inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories are valued at lower of cost and net realizable values.
Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

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2.15 Revenue Recognition:

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

a) **Rendering of services:**

Revenue has been recognised when control over the services transfers to the customer i.e., when the customer has the ability to control the use of the transferred services provided and generally derive their remaining benefits. The requirement is that a contract with enforceable rights and obligations exists and, amongst other things, the receipt of consideration is likely, taking-into-account the customer's credit quality. The revenue corresponds to the transaction price to which the Company is expected to be entitled. Variable consideration is included in the transaction price when it is highly probable that a significant reversal in the amount of revenue recognised will not occur and as soon as the uncertainty associated with the variable consideration no longer exists. The Company does not expect to have contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. Accordingly, the promised consideration is not adjusted for the time value of money.

b) **Sales of Goods:**

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

c) **Others:**

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

II. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and amount of income can be measured reliably.

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

2.16 Financial instruments:

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

(i) Financial assets:

a) Initial recognition and measurement:

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

- Amortised 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 Group changes its business model for managing financial asset. In the case of financial assets, not recorded at fair value through profit or loss (FVTPL), financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

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I. Financial assets at amortized cost:

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

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

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

The Effective Interest Rate (EIR) amortisation is included in finance income in the Statement of Profit and Loss. This category generally applies to long-term deposits and long-term trade receivables.

II. Financial assets at fair value through other comprehensive income (FVOCI):

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

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

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

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

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

III. Financial assets at fair value through profit or loss (FVTPL):

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

b) Subsequent measurement

For purposes of subsequent measurement:

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

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An investment in associates is carried at cost in separate financial statements.

(ii) Financial Liability:
Financial liabilities are classified and measured at amortised cost or FVTPL

a) Initial Recognition & Subsequent measurement:

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

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

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

iii) Impairment of Financial Assets:
In accordance with Ind AS 109, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the 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 Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

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

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

iv) **Derecognition:**

a) **Financial Assets:**

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

v) **Offsetting:**

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

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

A number of the Group accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities. The Group 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 Group 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).

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

2.18 Employee benefits:

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

b) Defined benefit plan:
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

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

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

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

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

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c) Compensated absences:

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

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

d) Short-term employee benefit:

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

2.19 <u>Income taxes:</u>

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

a) Current tax:

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

b) Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

2.20 <u>Cash and cash equivalents:</u>

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.

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2.21 Provisions and Contingencies:

Provisions are recognised when the Group 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 Group. Such liabilities are disclosed by way of notes to the financial statements.

2.22 Borrowing cost:

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Where there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.

2.23 Segment information:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

2.24 Share based payments:

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

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

2.25 Segment Reporting:

Segments are identified based on the manner in which the Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance. Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property and equipment and intangible assets other than goodwill.

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2.26 Earnings per share:

(i) Basic earnings per share

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

(ii) Diluted earnings per share:

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

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

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Notes to Consolidated Financial Statements for the year ended March 31, 2022

3A Property, Plant and Equipment

Tangible Assets

(₹ in Lakhs)

Particulars	Gross Block					Accumulated Depreciation and Impairment						Net Carrying Value As at March 31, 2022	Net Carrying Value As at March 31, 2021
	As at March 31, 2021	Additions	Deductions/ Adjustment	Assets reclassified to held for Sale	As at March 31, 2022	As at March 31, 2021	Depreciation for the year	Impairment for the year	Deductions/ Adjustment	Assets reclassified to held for Sale	As at March 31, 2022		
Freehold Land	4,545	-	-	2,369	2,176	-	-	524	-	-	524	1,652	4,545
Fleet	3,538	-	3,538	-	-	2,590	80	-	2,670	-	0	(0)	947
Buildings	3,387	-	1,993	600	794	712	54	-	508	119	138	656	2,676
Lease Hold Improvements	-	78	-	-	78	-	1	-	-	-	1	77	-
Vehicles	1,098	8	674	-	432	448	84	-	318	-	214	218	650
Plant & Machinery	5,997	205	1,438	-	4,764	2,635	318	-	452	-	2,501	2,263	3,362
Computers	4,365	176	307	-	4,234	3,719	441	-	297	-	3,863	371	646
Furniture & Fittings	3,808	245	163	-	3,890	2,577	234	-	83	-	2,728	1,162	1,231
Office Equipments	2,320	92	48	-	2,364	2,020	125	-	46	-	2,099	265	300
TOTAL	29,058	804	8,161	2,969	18,732	14,701	1,337	524	4,374	119	12,068	6,664	14,357

(₹ in Lakhs)

Particulars	Gross Block					Accumulated Depreciation and Impairment						Net Carrying Value As at March 31, 2021	Net Carrying Value As at March 31, 2020
	As at March 31, 2020	Additions	Deductions/ Adjustment	Assets reclassified to held for Sale	As at March 31, 2021	As at March 31, 2020	For the year	Impairment for the year	Deductions/ Adjustment	Assets reclassified to held for Sale	As at March 31, 2021		
Freehold Land	32,734	-	6,516	21,673	4,545	-		-			-	4,545	32,734
Fleet	3,810	-	272	-	3,538	2,456	392	-	257	-	2,590	947	1,354
Buildings	9,390	-	533	5,470	3,387	1,341	235	-	87	778	712	2,676	8,049
Vehicles	4,621	14	1,159	2,378	1,098	1,003	463	-	487	531	448	650	3,618
Plant & Machinery	5,772	278	53	-	5,997	2,230	420	-	15	-	2,635	3,362	3,542
Computers	4,868	84	588	-	4,365	3,778	522	-	581	-	3,719	646	1,090
Furniture & Fittings	3,744	64	-	-	3,808	2,291	286	-	-	-	2,577	1,231	1,453
Office Equipments	2,272	58	10	-	2,320	1,819	211	-	10	-	2,020	300	453
TOTAL	67,211	498	9,131	29,521	29,058	14,918	2,529	-	1,437	1,309	14,701	14,357	52,293

Notes :

a) The amount of Contractual commitments for acquisition of property, plant and equipment is disclosed in Note.40(II)

b) Refer Note 20 and Note 24 for information on Property, Plant and Equipments pledged as securities by the Company.

c) The group has not capitalised any borrowing cost during the year.

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

3B Right of use Assets (ROU)

(₹ in Lakhs)

Particulars	Gross Block					Accumulated Depreciation					Net Carrying Value As at March 31, 2022	Net Carrying Value As at March 31, 2021
	As at March 31, 2021	Additions	Deductions/ Adjustment	Assets reclassified to held for Sale	As at March 31, 2022	As at March 31, 2021	Depreciation for the year	Deductions/ Adjustment	Assets reclassified to held for Sale	As at March 31, 2022		
Leasehold Land	910	89	-	89	910	68	10	-	-	78	832	843
Buildings	7,339	12,959	1,239	-	19,059	2,033	1,692	336	-	3,389	15,670	5,305
Vehicles	1,334	-	7	-	1,327	480	166	4	-	642	685	855
Vehicles - ALD Cars	-	22	-		22	-	4	-	-	4	18	-
Computers	346	314	-	-	660	220	104	-	-	324	336	126
Plant & Machinery Leased	-	38	-		38	-	2	-	-	2	36	-
Others	162	-	162	-	-	18	3	21	-	-	-	144
Total Right of use Assets (ROU)	10,091	13,422	1,408	89	22,016	2,820	1,981	361	-	4,439	17,577	7,273

(₹ in Lakhs)

Particulars	Gross Block					Accumulated Depreciation					Net Carrying Value As at March 31, 2021	Net Carrying Value As at March 31, 2020
	As at March 31, 2020	Additions	Deductions/ Adjustment	Assets reclassified to held for Sale	As at March 31, 2021	As at March 31, 2020	Depreciation for the year	Deductions/ Adjustment	Assets reclassified to held for Sale	As at March 31, 2021		
Leasehold Land	1,034	-	-	124	910	66	11	-	9	68	843	968
Buildings	7,127	456	244	-	7,339	1,026	1,061	22	32	2,033	5,305	6,100
Vehicles	1,367	-	33	-	1,334	323	170	-	13	480	855	1,044
Computers	346	-	-	-	346	150	70	-	-	220	126	196
Others	162	-	-	-	162	9	9	-	-	18	144	153
Total Right of use Assets (ROU)	10,036	456	277	124	10,091	1,574	1,320	22	54	2,818	7,273	8,461

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

4. Goodwill

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Goodwill	42,580	44,688
Less : Impairment on goodwill	-	(2,108)
	42,580	42,580

Note:
1) Goodwill represents the excess of the purchase price over the fair value of the identifiable net assets of subsidiary company.
2) Movement in the gross value of goodwill is on account of loss of control in Gati Kausar India Limited.

5 Other Intangible Assets

(₹ in Lakhs)

Particulars	Gross Block				Accumulated Amortization and Impairment					Net Carrying Value As at March 31, 2022	Net Carrying Value As at March 31, 2021
	As at March 31, 2021	Additions	Deductions/ Adjustment	As at March 31, 2022	As at March 31, 2021	Amortization for the year	Impairment for the year	Deductions/ Adjustment	As at March 31, 2022		
Computer Software	1,680	72	-	1,752	1,125	174	5	-	1,303	450	555
Total	1,680	72	-	1,752	1,125	174	5	-	1,303	450	555

Other Intangible Assets

(₹ in Lakhs)

Particulars	Gross Block				Accumulated Amortization and Impairment					Net Carrying Value As at March 31, 2021	Net Carrying Value As at March 31, 2020
	As at March 31, 2020	Additions	Deductions/ Adjustment	As at March 31, 2021	As at March 31, 2020	Amortization for the year	Impairment for the year	Deductions/ Adjustment	As at March 31, 2021		
Computer Software	1,315	365	-	1,680	961	164	-	-	1,125	555	355
Total	1,315	365	-	1,680	961	164	-	-	1,125	555	355

Note: Impairment represents reduction in the recoverable value of licence right in one of the wholly owned subsidiary " Zen Cargo Movers Private Limited".

6. Intangible Assets under Development

(₹ in Lakhs)

	As at 31st March, 2022	As at 31st March, 2021
Software under Development	59	-
	59	-

Notes:
Expenses duing the year capitalised in respect of Intangible Assets under Development

a) Employee Benefit expenses	-	-
b) Other expenses	59	-
	59	-

Intangible assets under development ageing schedule

(₹ in Lakhs)

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

Notes:
a) Company does not have any overdue projects as of 31 March 2022.
b) Company does not have any projects where its cost has exceeded its original budget value.

(₹ in Lakhs)

7	Other Non-Current Financial assets	As at March 31, 2022	As at March 31, 2021
	Unsecured, Considered Good		
	Advances and Deposit with others	779	538
	Margin money with Banks more than 12 months	37	-
	Deposit with Banks more than 12 months	55	-
	Total (A)	**871**	**538**
	Gati Kausar India Ltd. of ₹ 10/-each (*)	8	-
	Less: Impairment Allowance	(8)	-
	Total (B)	-	-
	Grand Total	**871**	**538**

(*) Investment in one of the subsidiary "Gati Kausar India Ltd." ceased to be a subsidiary with effect from July 14, 2021. The group has retained 7,518 number of equity shares as investment amounting to ₹ 8 lakhs which is fully provided in earlier years.

(₹ in Lakhs)

8.	Deferred tax Assets (Net)	As at March 31, 2022	As at March 31, 2021
	MAT Credit	10	16
	Deferred Tax Asset (Net)	2,771	2,424
	Total	**2,781**	**2,440**

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

(₹ in Lakhs)

Deferred Tax Balance in relation to	As at March 31, 2021	Recognised In Statement of Profit & Loss	Recognised In Other Comprehensive Income(OCI)	Others	As at March 31, 2022
Deferred Tax Assets/(Liabilities)					
Property, plant and equipment	717	(480)	-	-	237
Allowances for Doubtful Receivables	1,035	762	-	-	1,797
Employee benefits - Gratuity and Leave Encashment	375	30	105	-	510
Other temporary Differences	297	(70)	-	-	227
MAT Credit Entitlement (Net)	16	-	-	(6)	10
Deferred Tax Assets/(Liabilities)	**2440**	**242**	**105**	**(6)**	**2781**

Deferred Tax Balance in relation to	As at March 31, 2020	Recognised In Statement of Profit & Loss	Recognised In Other Comprehensive Income(OCI)	Others	As at March 31, 2021
Deferred Tax Assets/(Liabilities)					
Property, plant and equipment	(552)	1,269	-	-	717
Allowances for Doubtful Receivables	802	233	-	-	1,035
Employee benefits - Gratuity and Leave Encashment	306	(14)	83	-	375
Other temporary Differences	67	230	-	-	297
MAT Credit Entitlement (Net)	16	-	-	-	16
Deferred Tax Assets/(Liabilities)	**639**	**1,718**	**83**	-	**2,440**

(₹ in Lakhs)

9.	Non-Current Tax Assets (Net)	As at March 31, 2022	As at March 31, 2021
	Tax Deducted at Source	13,645	15,660
	Advance Tax	1,669	1,501
	Provision for Income Tax	(8,136)	(8,825)
	Total	**7,178**	**8,335**

(₹ in Lakhs)

10.	Other Non Current Assets	As at March 31, 2022	As at March 31, 2021
	Capital Advance		
	Unsecured, considered good	29	52
	Unsecured, considered doubtful	173	159
		202	211
	Less: Allowance for doubtful advances	(173)	(159)
		29	52
	Balances with statutory Authorities	134	137
	Prepaid Expenses	4	26
	Others	2	94
	Total	**169**	**309**

(₹ in Lakhs)

11.	Inventories	As at March 31, 2022	As at March 31, 2021
	(At Lower of the cost or Net realisable value)		
	Stock-in-Trade	336	389
	Less: - Provision on Stock-in-Trade	(57)	(14)
	Stores and spares	-	7
	Total	**279**	**382**

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

(₹ in Lakhs)

12.	Investments	As at March 31, 2022	As at March 31, 2021
	Investment at Fair Value through Profit & Loss (unquoted)		
	Kotak Overnight Fund - Growth : 22337.285 (31 March 2021 Nil) Units	253	-
	ICICI Prudential Overnight Fund - Growth: 221120.158 (31 March 2021 Nil) Units	253	-
	Tata Overnight Fund - Growth: 22603.20 (31 March 2021 Nil) Units	253	-
	Nippon India Overnight Fund - Growth: 222632.61 (31 March 2021 Nil) Units	253	-
	Total	**1,011**	-
	Aggregate Market Value of unquoted Investments	1,011	-
	Aggregate carrying cost of unquoted Investments	1,004	-

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(₹ in Lakhs)

13. Trade Receivables	As at March 31, 2022	As at March 31, 2021
Unsecured		
Considered Good	23,233	19,546
Credit Impaired	5,835	4,275
	29,068	23,821
Less: Allowance for Doubtful Receivables (Refer Note: 46C)	5,835	4,275
Total	**23,233**	**19,546**

Ageing for trade receivables as at 31st March, 2022

(₹ in Lakhs)

	Outstanding for following periods from the date of transaction#						
	Unbilled	Less than 6 months	6 months - 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	Total
i) Undisputed Trade receivables - Considered good	619	21,425	902	2	1	0	22,949
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables - Credit impaired	36	571	683	941	169	115	2,515
iv) Disputed Trade receivables - Considered good	-	-	-	-	17	267	284
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables - Credit impaired	-	-	-	244	364	2,712	3,320
Gross Trade Receivables	**655**	**21,996**	**1,585**	**1,187**	**551**	**3,094**	**29,068**
Less: Allowances for Doubtful Receivables							**(5,835)**
Balance as on March 31, 2022							**23,233**

Ageing for trade receivables as at 31st March, 2021

(₹ in Lakhs)

	Outstanding for following periods from the date of transaction#						
	Unbilled	Less than 6 months	6 months - 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	Total
i) Undisputed Trade receivables - Considered good	238	18,439	363	14	-	6	19,060
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables - Credit impaired	-	251	258	428	50	123	1,110
iv) Disputed Trade receivables - Considered good	-	-	-	5	3	478	486
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables - Credit impaired	-	84	122	438	365	2,156	3,165
Gross Trade Receivables	238	18,774	743	885	418	2,763	**23,821**
Less: Allowances for Doubtful Receivables							**(4,275)**
Balance as on March 31, 2021							**19,546**

(#)Ageing is from the date of transaction which is different from the due date.
Note:
i) No Trade receivables are due from directors and other officers of the company either severally or jointly with any other person.
ii) For details of debts due from firms or private companies in which any director is a partner, a director or a member, Refer Note 49 of related party transactions.
iii) The Carrying amount of trade receivables is pledged as security for borrowings. (Refer Note 24)
(iv) Trade Receivables are non interest bearing and are generally on terms of 30 to 90 days.
v) Wherever amounts are "0", the value is less than rupees fifty thousand.

(₹ in Lakhs)

14A. Cash and Cash Equivalents	As at March 31, 2022	As at March 31, 2021
Cash in hand	20	39
Balances with Banks:		
In Current Accounts	1,504	4,129
Deposits with original maturity of less than three months	57	79
Total	**1,581**	**4,247**

(₹ in Lakhs)

14B. Bank Balances other than disclosed in note 14A above	As at March 31, 2022	As at March 31, 2021
Deposits with original maturity of more than three months and less than twelve months	155	1,073
Balances with Bank held as margin money/ security	17	222
Unpaid Dividend account	64	86
Total	236	1,381

(₹ in Lakhs)

15. Other Financial Assets	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good unless otherwise stated)		
Accrued Interest on Deposits, Loan and investments (Includes doubtful receivable ₹ Nil , PY ₹ 2157 Lakhs)	12	2,176
Less: Allowance for doubtful receivable	-	(2,157)
	12	**19**
Security Deposits	1,577	2,009
Earnest Money Deposits	10	10
Advance to Employees	8	16
Loans to others	3	38
Loan receivable with credit Impaired	164	164
Less: Allowance for Doubtful Loans	(164)	(164)
Other Advances receivable (Includes doubtful receivable ₹ 2,321 Lakhs , PY ₹ 2319 Lakhs)	2,483	2,505
Less: Allowance for doubtful receivable	(2,321)	(2,319)
Total	**1,772**	**2,277**

(₹ in Lakhs)

16. Other Current Assets	As at March 31, 2022	As at March 31, 2021
(Unsecured , Considered good unless otherwise stated)		
Advance against Supply of Goods and Services (Includes doubtful receivable ₹ 455 Lakhs, PY ₹ 497 Lakhs)	2,181	3,273
Less: Provision for doubtful advances	(455)	(497)
	1,726	**2,776**
Loans and Advances to employees		
Prepaid Expenses	594	379
Balances with Government Authorities	874	352
Less- Provision for doubtful ITC- GST	(50)	-
Others	184	-
Total	**3,328**	**3,507**

(₹ in Lakhs)

17. Assets held for sale	As at March 31, 2022	As at March 31, 2021
A) Property, Plant & Equipment		
Land & Building	12,819	14,285
Plant & Machinery	59	59
Furniture & Fixtures	327	327
Office Equipment	47	47
Commercial vehicles	12	1,270
Total	**13,264**	**15,988**

B) Investments	As at March 31, 2022		As at March 30, 2021	
	Number / Units	Amount	Number / Units	Amount
Investment in an Associate	48,00,000	8,623	48,00,000	8,623
Gati Ship Ltd. of ₹ 10/- each		(8,623)		(8,623)
Less: Impairment Allowance				
Total		-		-

Note:

1) The Board has taken necessary steps and negotiation is ongoing with the prospective buyers for disposal of the above Property Plant & Equipment and investments and transaction is expected to be concluded in next one year.

(₹ in Lakhs)

18. Equity Share Capital	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Number
Authorized:				
Equity Shares of ₹ 2/- each	17,50,00,000	3,500	17,50,00,000	3,500
		3,500		**3,500**
Issued:				
Equity Shares of ₹ 2/- each fully paid up	12,29,68,997	2,459	12,19,45,977	2,439
		2,459		**2,439**
Subscribed and Paid-up:				-
Equity Shares of ₹ 2/- each fully paid up	12,29,68,997	2459	12,19,45,977	2,439
		2,459		**2,439**

a) Terms /Rights attached to Shareholders

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

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

Equity Shares of ₹ 2 each fully paid	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning of the year	12,19,45,977	2,439	12,19,45,977	2,439
Shares issued during the year	10,23,020	20	-	-
Shares at the end of the year	**12,29,68,997**	**2,459**	**12,19,45,977**	**2,439**

During the year the Company has issued and allotted 10,23,020 Equity Shares of face value of Rs. 2/- each ("Equity Shares") at a price of Rs. 97.75/- per Equity Share at a premium of Rs. 95.75/- per Equity Share, aggregating up to Rs. 1,000 lakhs.

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

Name of the share holder	As at March 31, 2022		As at March 31, 2021	
Equity Shares of ₹ 2 each fully paid held by	No. of Shares	% Holding	No. of Shares	% Holding
Allcargo Logistics Limited	5,81,68,975	47.30%	5,71,45,955	46.86%
Mr. Mukul Mahavir Agrawal	63,01,596	5.12%	63,01,596	5.17%
Total	**6,44,70,571**	**52.43%**	**6,34,47,551**	**52.03%**

d) 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.

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

f) Details of shareholdings by the Promoter's

Sl. No.	Name of the Promoter	As on March 31, 2022		As on March 31, 2021		% Change during the Year
		Number of Shares	% of Shareholding	Number of Shares	% of Shareholding	
1	Allcargo Logistics Limited (effective from 08-04-2020)	5,81,68,975	47.30	5,71,45,955	46.86	2%
2	Neera And Children Trust	23,15,889	1.88	23,15,889	1.90	-
3	Mahendra Kumar Agarwal	15,45,735	1.26	15,74,935	1.29	-2%
4	Tci Finance Limited	5,79,998	0.47	10,03,250	0.82	-42%
5	Mahendra Kumar Agarwal & Sons HUF	5,46,083	0.44	5,46,083	0.45	-
6	Bunny Investments & Finance Private Limited	40,000	0.03	2,73,126	0.22	-85%
7	Mahendra Investment Advisors Private Limited	1,51,577	0.12	1,51,577	0.12	-
8	Jubilee Commercial & Trading Private Limited	1,49,823	0.12	1,49,823	0.12	-
9	Dhruv Agarwal Benefit Trust	8,750	0.01	1,08,750	0.09	-92%
10	Manish Agarwal Benefit Trust	24,728	0.02	24,728	0.02	-
	TOTAL	**6,35,31,558**	**51.66**	**6,32,94,116**	**51.90**	

(₹ in Lakhs)

19.	Other Equity	As at March 31, 2022	As at March 31, 2021
a)	Securities Premium	35,067	34,100
b)	General Reserve	10,505	10,505
c)	Capital Reserve	2,084	2,084
d)	Tonnage Tax Reserve (Utilized)	929	929
e)	Share based payment reserve (ESARs - Equity)	56	-
f)	Special Reserve	14,707	14,707
g)	Retained Earning	(11,572)	(12,254)
h)	Money received against share warrants	1,750	-
	Total Other Equity	**53,526**	**50,071**

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

a) **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.

b) **General Reserve:** This reserve is the retained earnings of the company, which are kept aside out of the group profit to meet future (known or unknown) obligations.

c) **Capital Reserve** : Capital Reserve includes amount received on allotment of convertible warrants was forfeited and transferred to Capital Reserve Account.

d) **Tonnage Tax Reserve (Utilised):** This reserve is a statutory reserve which is created and will be utilized in accordance with the provisions of Section 115VT of Income tax Act 1961 to comply with the provisions of 'Tonnage Tax Scheme' under Chapter XII-G.

e) **Share based payment Reserve:** The share based payment reserve is used to record the value of equity-settled share based payment transactions with employees. The amount recorded in this reserve is transferred to securities premium upon exercise of stock appreciation rights options by employees. The amount outstanding in the "Share based payment reserve" will be transferred to "General Reserve", when the options are lapsed / cancelled .

f) **Money received against Share Warrants**

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	-	-
Add - Received during the year	1,750	-
Less - Converted during the year	-	-
Closing Balance	1,750	-

The shareholders of the Company vide resolution dated 04th June 2021 have approved the issue of Convertible Warrants on Preferential basis to the Promoter "Allcargo Logistics Limited ("ACL")" in accordance with Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), as amended, and other applicable laws. Accordingly, the Company had issued 71,61,120 Equity Warrants at a price of Rs. 97.75/- per Equity Warrant with the right to warrant holder to apply for and be allotted 1 (One) Equity Share of the face value of Rs. 2/- each of the Company at a premium of Rs. 95.75/- per equity share for each Equity warrant within a period of 18 (Eighteen) months from the date of allotment of the warrants i.e. June 17, 2021, aggregating up to Rs. 7,000 lakhs. Consequently, after the conversion of the Equity Warrants, the shareholding of the ACL will be 50.20%.
The prospective allottees had paid ₹ 1750 lakhs towards 25% value of total consideration payable for the Warrants. In case of non exercise of warrants within the period of 18 months, the same shall stand forfeited and the money received against the same shall not be refunded by the Company.

As at 31st March 2022, 71,61,120 Warrants (Previous Year NIL) were pending to be converted into Equity Shares of ₹ 2 /- each. The warrants would be converted into equivalent number of shares on payment of balance amount.

g) **Special Reserve:** The Hon'ble Andhra Pradesh High Court, approved the Scheme of Arrangement for amalgamation. (The Scheme) vide its Order dated March 19, 2013 which interalia, permits creation of a capital reserve to be called Special Reserve to which shall be credited excess of value of assets over value of liabilities on amalgamation of the subsidiaries amounting to ₹ 55,554 Lakhs to be utilized by the Company to adjust therefrom any capital losses arising from transfer of assets and certain other losses, any balance remaining in the Special Reserve shall be available for adjustment against any future permanent diminution in the value of assets and exceptional items etc. as specified in the Scheme as the Board of directors may deem fit.

h) **Retained Earnings:** Retained earnings comprise of net accumulated profit/ (loss) of the group, after declaration of dividend.

i) **Other Comprehensive Income**

Equity Instrument through OCI: The company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the equity instruments through OCI shown under the head other equity. The company transfer amounts to retained earnings when the relevant equity securities are derecognised.

(₹ in Lakhs)

20. Borrowings	As at March 31, 2022		As at March 31, 2021	
	Non - Current	Current Maturities	Non - Current	Current Maturities
Secured				
Non-convertible debentures ("NCD")	-	-	-	9,107
Term Loan From Banks	750	274	2,145	930
Term Loan From Financial Institutions	-	-	68	173
Sub Total (A)	750	274	2,213	10,210
Unsecured -				
Fixed deposits (From Public)	104	299	407	256
Sub Total (B)	104	299	407	256
Total (A+B)	854	573	2,620	10,466

Particulars of Nature of security

(₹ in Lakhs)

Bank Name / Note No	ROI	Number of Instalments pending/Type of instalments	Instalment Amount	Starting Date	Outstanding amount
Federal Bank - ECGL loan (Note - A)	7.50%	47/Monthly EMI	23	25-Apr-22	939
Vehicle Loan (Note - B)	8.65% - 9.25%	EMI			85

Notes: Particulars of Nature of security/Pledge

A) The collateral being second charge on all primary and collateral securities available for the existing facilities with the bank.

B) Vehicles are hypothecated against the Vehicle loans from Banks & other financial institutions and last tranche of these loans is repayable by the end of September 2024.

(₹ in Lakhs)

21. Lease Liabilities	As at March 31, 2022		As at March 31, 2021	
	Non - Current	Current	Non - Current	Current
Lease Liabilities (Refer Note 41)	14,005	3,196	6,040	1,137
	14,005	3,196	6,040	1,137

(₹ in Lakhs)

22. Other Financial Liabilities	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	12	24
Total	12	24

(₹ in Lakhs)

23. Provisions	As at March 31, 2022	As at March 31, 2021
Employee Benefits		
Gratuity (Refer Note No.42)	1,172	741
Leave Encashment	369	355
Total	1,541	1,096

(₹ in Lakhs)

24. Borrowings	As at March 31, 2022	As at March 31, 2021
Current maturities of long term borrowings - Term Loans	573	10,466
Secured		
Working Capital facilities from Banks		
- Cash Credit	13,806	14,516
Grand Total	14,379	24,982

Working Capital Borrowings in rupees is secured by book debts and other current assets of the company on pari-passu charge with all working capital lenders under multiple banking arrangement. Weighted average rate of interest is 7.46%.

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(₹ in Lakhs)

In case of one of the subsidiary "GATI Kintetsu Express Private Limited" where 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 are in agreement with the books of account other than those set below for FY 2021-22.

Quarter	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for difference
Jun-21	1) Axis Bank, 2) IndusInd Bank, 3) Bank of Bharain and Kuwait, 4) Federal Bank, 5)Standard Chartered Bank	Gross Trade Receivables	19,327	22,771	3,444	On account of statement filed with the lenders on financial statement prepared on provisional basis and also certain line items grouped under trade receivables are not being considered in the statement.
Sep-21			23,438	28,333	4,895	
Dec-21			26,044	27,889	1,845	
Mar-22			26,959	26,860	(99)	

In case of one of the subsidiary "GATI Kintetsu Express Private Limited" where 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 are in agreement with the books of account other than those set below for FY 2020-21.

Quarter	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for difference
Jun-20	1) Axis Bank, 2) IndusInd Bank, 3) Bank of Bharain and Kuwait, 4) Federal Bank, 5)Standard Chartered Bank	Gross Trade Receivables	18,510	21,016	2,506	On account of statement filed with the lenders on financial statement prepared on provisional basis and also certain line items grouped under trade receivables are not being considered in the statement.
Sep-20			21,746	24,309	2,563	
Dec-20			22,300	24,706	2,406	
Mar-21			21,443	24,712	3,269	

(₹ in Lakhs)

25. Trade Payables	As at March 31, 2022	As at March 31, 2021
For Goods and Services		
Total Outstanding dues of micro and small enterprises (Refer Note 44)	1,570	345
Total Outstanding dues of creditors other than micro and small enterprises (Including acceptances)		
(a) Acceptances	-	128
(b) Others	8,606	8,435
Total	**10,176**	**8,908**

Ageing for trade payables as at 31st March, 2022 (₹ In Lakhs)

	Outstanding for following periods from the date of transaction#					
	Unbilled	Less than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	Total
i) Undisputed dues - MSME	-	1,553	17	-	-	1,570
ii) Undisputed dues - Others	2,598	5,005	477	413	113	8,606
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputes dues - Others	-	-	-	-	-	-
	2,598	6,558	494	413	113	10,176

Ageing for trade payables as at 31st March, 2021 (₹ In Lakhs)

	Outstanding for following periods from the date of transaction#					
	Unbilled	Less than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	Total
i) Undisputed dues - MSME	-	339	5	1	-	345
ii) Undisputed dues - Others including acceptances	4,466	3,178	655	187	77	8,563
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputes dues - Others	-	-	-	-	-	-
	4,466	3,517	660	188	77	8,908

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

(₹ in Lakhs)

26. Other Financial Liabilities	As at March 31, 2022	As at March 31, 2021
Security Deposits	3,169	2,868
Interest accrued but not due on Borrowings	17	479
Unpaid dividends	64	86
Employee Related Liabilities	2,120	3,462
Unpaid matured deposits and interest accured thereon	87	94
Liability towards guarantee invoked	2,360	2,360
Others	4,400	3,107
Total	**12,217**	**12,457**

(₹ in Lakhs)

27. Other Current Liabilities	As at March 31, 2022	As at March 31, 2021
Statutory dues	1,610	1,727
Other Advances	843	1,097
Total	**2,453**	**2,824**

(₹ in Lakhs)

28. Current Tax Liabilities	As at March 31, 2022	As at March 31, 2021
Provision for income tax	-	2,257
Total	-	**2,257**

(₹ in Lakhs)

29. Provisions	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits		
Gratuity (Refer Note 42)	301	251
Leave Encashment	228	138
Total	**529**	**389**

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(₹ in Lakhs)

30. Revenue From Operations	Year ended March 31, 2022	Year ended March 31, 2021
Sale of Services		
Freight, Ecom,Demurrage and Miscellaneous services	1,25,689	1,06,136
Sale of Products		
Sale of Diesel, Petrol and Lubricants & Others	22,785	24,976
Total (A)	**1,48,474**	**1,31,112**
Other Operating Revenue		
Other Recoveries	520	312
Total (B)	**520**	**312**
Grand total (A+B)	**1,48,994**	**1,31,424**

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

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue based on product & services		
a) Express Distribution	1,25,647	1,06,084
b) Fuel Stations	22,828	24,480
c) Others	-	548
Other Operating Revenues	520	312
Total	**1,48,994**	**1,31,424**
Revenue based on Geography		
India	1,48,994	1,30,732
Overseas	-	692
	1,48,994	**1,31,424**
Reconciliation of Revenue from Operation with contract price		
Revenue as per contract price	1,53,299	1,35,729
Less:		
Discounts	(126)	(95)
Credit note	(2,145)	(1,925)
Unsatisfied performance obligation	(2,554)	(2,597)
Revenue from Operations	**1,48,474**	**1,31,112**

Transaction Price - Unstatisfied Performance Obligation

The Company's unsatisfied performance obligations mainly arises on account of undelivered shipments. The aggregate value of transaction price allocated to the unsatisfied performance obligations as at March 31, 2022 is ₹ 2,554 lakhs, which is expected to be recognised during next year.

The Company recognizes revenue at a point in time. Contract with customers are of short-term duration and all sales are direct to customers.

B. Contract Balances

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Contract Assets	655	238
Trade Receivables	29,068	23,821
Less: Impairment allowances	5,835	4,275
Total	**23,233**	**19,546**

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognised as revenue as and when the performance obligation is satisfied.

(₹ in Lakhs)

31. Other Income	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on		
Deposit with Bank and Others	40	159
Refund of Income tax	275	309
Other Non Operating Income		
Rental Income	135	172
Net Foreign Exchange Gain	2	-
Net Gain on sale of investments	1	111
Liabilities no longer required - written back	1,014	126
Gain on Sale of Mutual Funds	12	80
Net Gain on Investments measured at FVTPL	7	-
Unwinding of other financial assests	17	-
Miscellaneous Income	27	84
Total	**1,530**	**1,041**

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(₹ in Lakhs)

32. Operating Expenses	Year ended March 31, 2022	Year ended March 31, 2021
Freight	83,432	60,612
Fleet Running Expenses	644	2,100
Vehicle's trip expenses	2,161	4,762
Handling Charges	2,390	1,791
Tyres and Tubes	40	71
Supply Chain Management services	2,864	3,318
Claims for Loss & Damages (Net)	230	749
Vehicle's taxes	32	50
Vehicle's and ships Insurance	26	65
Power, Fuel and Water Expenses	38	109
Stores and Spare Parts Consumed	22	93
Other Operating Expenses	817	969
Total	**92,696**	**74,689**

(₹ in Lakhs)

33 Changes in Inventories of Stock-in-Trade	Year ended March 31, 2022	Year ended March 31, 2021
Opening Stock :		
Stock-in-trade		
(Allowances as on April 01, 2021 - ₹ 14 lakhs)	389	947
	389	947
Less: Purchase returns	-	(223)
Less: Closing Stock		
Stock-in-trade		
((Allowances as on March 31, 2022 - ₹ 57 lakhs, (previous year - ₹ 14 lakhs))	336	389
	336	612
(Increase)/ Decrease in Inventories of Stock-in-trade	53	335

Notes :

1) Consumption of stores and spares in a subsidiary "Gati Kausar India Limited", has been considered in other expenses.
2) Balances of inventories of stock-in-trade is on gross basis.

(₹ in Lakhs)

34. Employee Benefit Expense	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, Wages & Bonus	14,271	15,062
Contribution to Provident fund and other funds	1,041	960
Expenses related to Share based payment schemes	34	1
Staff Welfare Expenses	459	268
Total	**15,805**	**16,291**

Note - Refer note 54 on excess managerial remuneration paid during the previous financial year.

(₹ in Lakhs)

35. Finance Costs	Year ended March 31, 2022	Year ended March 31, 2021
Interest Expense on		
Term Loans and Working Capital facilities	1,673	3,455
Public Deposits	54	104
Lease Obligation	985	910
Others borrowing cost	20	45
Total	**2,732**	**4,514**

(₹ in Lakhs)

36. Depreciation and amortisation expense	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on Property Plant & Equipment (Refer Note 3A)	1,337	2,529
Depreciation on Right of use Asset (Refer Note 3B)	1,981	1,320
Amortisation of Intangible Assets (Refer Note 5)	174	164
Total	**3,492**	**4,013**

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(₹ in Lakhs)

37. Other Expenses	Year ended March 31, 2022	Year ended March 31, 2021
Lease Rental (Refer Note 41)	4,208	4,795
Rates and Taxes	317	482
Insurance	184	184
Telephone expenses	38	105
Printing and Stationery	292	225
Travelling expenses	296	198
Professional and Consultancy Charges	1,512	1,091
Advertisement Expenses	135	76
Electricity	766	769
Office maintianance	1,708	1,462
Bank Collection charges	7	25
Director Sitting fees	12	26
Corporate Social Responsiblity Expenditure (Refer Note 37.1)	12	77
Payment to Auditors (Refer Note 37.2)	51	62
Allowance for Doubtful Receivables	1,731	1,158
Bad debts and irrevocable balances written off	112	393
Less: Provision for loss allowances recognised in earlier years	(62)	(291)
Bad debts written off-Others	51	-
Provision on Stock-in-Trade	42	14
Management Fee	568	279
Impairment loss on Property, Plant and Equipment	5	-
Allowance for other financial assets	13	-
Allowance for capital advance	14	-
IT Network Expenses	500	512
Net Foreign Exchange loss	-	9
Repairs and Maintenance	1,091	697
Loss on Sale of Fixed Assets (Net)	238	28
Loss on Sale of Assets classified as held for sale	78	-
Gain/loss on lease modification	47	-
Miscellaneous expenses	873	880
Total	**14,839**	**13,475**

37.1 Corporate Social Responsiblity Expenditure

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

(a) During the year, the company has incurred ₹12 lakhs (previous year ₹77 lakhs) on account of Corporate Social Responsibility (CSR) included under Other Expenses.

(b) Gross Amount required to be spent by the company during the year is ₹12 lakhs.

(c) Amount of ₹12 lakhs, approved by the board to be spent during the year

(d) Amount spent during the year on:

(₹ in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(i) Construction/acquisition of any asset	-	-
(ii) 'On purpose other than (i) above	12	77
Total	**12**	**77**

(e) **Unspent Amount:**

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

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

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(₹ in Lakhs)

37.2 Payment to Auditors (Excluding Goods and Services Tax)	Year ended March 31, 2022	Year ended March 31, 2021
Statutory Audit fees	27	42
Taxation Matters	-	-
Other Matters	24	20
Total	**51**	**62**

(₹ in Lakhs)

38. Exceptional Items	Year ended March 31, 2022	Year ended March 31, 2021
Loss on Asset Held for Sale Classification	1,317	15,347
Loss on Sale of Property, plant & Equipment (Net)	-	1,756
Provision towards advance	-	2,256
Loss/(gain) on Sale of Investments	(5)	1,127
Severance payment on disposal of Investment in GATI Kausar India limited	1,305	-
Impairment allowance on Property, plant & Equipment	523	-
Profit on disposal of Assets classified as held for sale	(15)	-
GST provision expenses related to exempt GTA services	1,683	-
Gain on loss of control in GKIL	(6,013)	-
Total	**(1,205)**	**20,486**

The Exceptional items (non-recurring) of ₹ 1,205 lakhs pertaining to current financial year represents: -

a) Gati Limited has transferred its 69.79% of equity holding in GATI Kausar India limited to Mandala Capital AG Limited for the sale consideration of ₹ 5 lakhs, pursuant to this transfer, Gati Kausar India Limited (GKIL) ceased to be a subsidiary of Gati limited with effect from July 14, 2021 resulting in a gain of ₹ 6,013 lakhs on account of this loss of control. As a part of transaction one-time severance fees of ₹ 1305 lakhs was also paid from Gati limited to "Gati Kausar India Limited (GKIL)" as per the terms of share purchase agreement.

b) Diminution amounting to ₹ 1,302 lakhs in the present realisable value of the assets sold during the year and proposed to be sold which is disclosed as "Assets classified as held for Sale".

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

d) Impairment allowance of ₹ 523 lakhs has been provided in books on account of diminution in the fair value of immovable property.

(₹ in Lakhs)

39. Tax Expenses	Year ended March 31, 2022	Year ended March 31, 2021
Income Tax recognised in Statement of Profit and Loss		
Current Tax	231	-
Deferred Tax	(242)	(1,718)
Income Tax for earlier years	404	1,054
Total	**393**	**(664)**

(₹ in Lakhs)

39.1 Reconciliation of Income Tax expense for the year with book profits	Year ended March 31, 2022	Year ended March 31, 2021
Profit/(Loss) before Tax (After Exceptional Items)	(50)	(25,257)
Applicable Tax Rate	34.94%	34.94%
Tax Expense	(17)	(8,826)
Tax Effect of :		
Expenses non-deductible for tax purposes	3,153	7,886
Exempted income & Expenses allowable for tax purposes	(1,394)	(1,484)
Other differences (Including effect of non recognition of Deferred Tax Asset)	(1,600)	(441)
Difference in tax rates of subsidiary companies	(153)	1,147
Tax Expense in Statement of Profit and Loss	**(11)**	**(1,718)**
Effective Tax Rate*	**21%**	**7%**

* Excludes effect of adjustment of ₹ 404 Lakhs on account of tax related to earlier year (Previous year ₹ 1054 Lakhs)

i) Under section 115BBA of the Income Tax Act, 1961 as introduced by the Taxation laws (Amendment) Ordinance, 2019 the Company has an Option to avail of the reduced tax rate. The Company has significant MAT credit pertaining to previous years as of date. Hence the company will consider the matter after availing the MAT credit in future. However, the flagship subsidiary, GKEPL has opted to exercise the option permitted under this section in earlier years and has taken 25.168% rate of corporate tax in its accounts.

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40. Contingent liabilities, Contingent Assets and commitments

(I) Contingent Liabilities

(₹ in Lakhs)

			As at March 31, 2022	As at March 31, 2021
(a)	**Claim against the Company not acknowledged as debt (to the extent not provided)**			
	(i)	Income tax Demand disputed in appeals (includes amount paid under protest and adjustments of ₹ 2361 lakhs, previous year - ₹1991 lakhs)	5,828	5,617
	(ii)	Indirect Tax demand disputed in appeals (Includes amount paid under protest ₹ 11 Lakhs, previous year - ₹ 11 Lakhs) (#)	4,748	4,748
	(iii)	Others	586	501
		Total	11,162	10,866

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

(ii) The Group 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 Cosolidated financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its Group's financial position. Also, the Group does not expect any reimbursement in respect of the above contingent liabilities.

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

(₹ in Lakhs)

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

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

(c) There has been a Supreme Court (SC) judgement dated February 28, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. During the current year ended March 31, 2022, Group is incompliance with same. The Group will continue to assess any further developments in this matter for the implications on financial statements, if any. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, was not ascertainable and consequently no effect was given in the accounts.

(d) Code on Social Security, 2020 ('Code') relating to employee benefits during employment and postemployment has been notified in the official Gazette on September 29,2020 and its effective date is yet to be notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the year the Code becomes effective.

(₹ in Lakhs)

(II) Commitments	As at March 31, 2022	As at March 31, 2021
Commitments for Acquisition of Property, Plant and Equipment & Intangible Assets (Net of Advance)		
Towards Property plant & Equipment	850	20
Towards intangible Assets	-	16
	850	**36**

(₹ in Lakhs)

(III) Contingent Assets	As at March 31, 2022	As at March 31, 2021
Additional consideration on the disposal of investment in Brown Tape Technology Pvt Ltd*	56	56
	56	56

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

41. Leases:

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

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

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities at the beginning of the year	7,177	7,917
Additions	12,814	456
Interest cost accrued during the year	985	910
Payment of lease liabilities	(2,661)	(1,903)
Deletion	(44)	(203)
Adjustment on loss of control in GATI Kausar India limited	(1,070)	-
Lease liabilities at the end of the year	17,201	7,177

(c) Amount recognized in Profit or Loss

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest expense on lease liabilities	985	910
Depreciation expense of right-of-use assets	1,981	1,320
Expense relating to short term leases (included in other expenses and Operating expenses)	5,067	6,355

(d) Amounts recognised in the statement of cash flow

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Total cash outflow for leases	2,661	1896

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

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Not later than one year	3,897	1,949
Later than one year but not later than five years	10,241	5,593
Later than five years	11,875	3,525
Total	**26,013**	**11,067**
Current lease liabilities	3,196	1,137
Non-current lease liabilities	14,005	6,040
Total Lease liabilities	**17,201**	**7,177**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(₹ in Lakhs)

42. Disclosure as required under Ind AS 19 on Employee Benfits:	As at March 31, 2022	As at March 31, 2021
Statement of Assets and Liabilities for defined benefit obligation		
Defined benefit asset - Gratuity Plan	198	540
Defined benefit obligation - Gratuity Plan	(1,671)	(1,438)
Total employee benefit (Liabilities)/Assets	**(1,473)**	**(898)**

Defined contribution

The expense for defined contribution plans amounted to ₹ 812 lakhs and ₹ 960 lakhs for the year ended March 31, 2022 and March 31, 2021 respectively.

Defined benefits - Gratuity

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

These defined benefit plans expose the Group to actuarial risks, such as currency risk, interest risk and market (investment) risk. The Group expects to contribute ₹ 504 lakhs to Gratuity Fund in the next year.

Inherent risk

The plan is defined benefit in nature which is sponsored by the Group and hence it underwrites all the risks pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.

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

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

(₹ in Lakhs)

		As at March 31, 2022	As at March 31, 2021
(I)	**Reconciliation of present value of defined benefit obligation**		
(a)	Balance at the beginning of the year	1,438	1,269
(b)	Current service cost	142	145
(c)	Interest cost	69	75
(d)	Benefits paid	(374)	(304)
(e)	Benefit payments directly by employer	(1)	-
(f)	Actuarial (gains)/ losses recognised in other comprehensive income		
	change in demographic assumptions	(15)	72
	change in financial assumptions	28	120
	experience adjustments	408	61
	Balance at the end of the year before adjustment	**1,695**	**1,438**
	Less- Adjustment on loss of control in GATI Kausar India limited	(24)	-
	Balance at the end of the year	**1,671**	**1,438**
(II)	**Reconciliation of present value of plan assets**		
(a)	Balance at the beginning of the year	540	711
(b)	Actual return on plan assets	30	31
(c)	Investment Income	(4)	9
(d)	Contributions by the employer	6	90
(e)	Benefits paid	(374)	(301)
	Balance at the end of the year	**198**	**540**
(III)	**Net asset/ (liability) recognised in the Balance Sheet**		
(a)	Present value of defined benefit obligation	(1,671)	(1,438)
(b)	Fair value of plan assets	198	540
	Net defined benefit obligations in the Balance Sheet (Includes Net Asset CY - Nil , PY - ₹ 94 lakhs)	**(1,473)**	**(898)**
(IV)	**Expense recognised in Statement of Profit or Loss**		
(a)	Current service cost	142	145
(b)	Interest income (net)	39	29
	Amount charged to Profit or Loss	**181**	**174**

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(V) Remeasurements recognised in Other Comprehensive Income		
(a) Actuarial gain / (loss) on defined benefit obligation	(421)	(252)
(b) Return on plan asset excluding interest income	(4)	(6)
Amount recognised in Other Comprehensive Income	(425)	(258)
(VI) Plan assets		
Plan assets comprise of the following:		
(a) Investments with LIC	100%	100%
(VII) Actuarial assumptions		
Principal actuarial assumptions at the reporting date (expressed as weighted averages)		
(a) Discount rate	5.77%	5.58%
(b) Future salary growth	8.00% first 2 years; 6.00% thereafter	6.0%
(c) Retirement age (years)	58	58
(d) Withdrawal rates	30%	25%
(e) Mortality rate (% of IALM 2012-14)	100%	100%

(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, 2022		As at March 31, 2021	
	Increase	Decrease	Increase	Decrease
(a) Discount rate (1% movement)	(41)	46	(44)	48
(b) Future salary growth (1% movement)	43	(40)	47	(43)
(c) Withdrawal assumption (1% movement)	(2)	3	(3)	4

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions as shown.

(₹ in Lakhs)

Expected cash flows over the next (Valued on undiscounted cash flows)	As at March 31, 2022	As at March 31, 2021
1 year	504	364
2 to 5 years	1,057	879
6 to 10 years	344	384
More than 10 years	69	126

43. Segment information

A. Basis for segmentation

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

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

Reportable segments	Operations
Express Distribution & Supply Chain	Covers integrated cargo services - Road, Air transportation, E-commerce logistics and supply chain solutions
Fuel Stations	Covers fuel stations dealing in petrol, diesel and lubricants, etc.
Others	Miscellaneous business comprising of less than 10% revenues.

B. Information about reportable segments

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

Summary of Segment Information for the year ended March 31, 2022 and March 31, 2021 is as follows:

(₹ in Lakhs)

1. Segment Revenue (Net Sales / Income from each Segment)	Year Ended March 31, 2022	Year Ended March 31, 2021
a) Express Distribution & Supply Chain	1,26,166	1,06,419
b) Fuel Sales	22,828	24,480
c) Other Sales	-	548
Total	1,48,994	1,31,447
Less: Inter Segment Revenue	-	(23)
Net Sales / Income from Operations	1,48,994	1,31,424

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(₹ in Lakhs)

2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)	Year Ended March 31, 2022	Year Ended March 31, 2021
a) Express Distribution & Supply Chain	1,175	(629)
Less: Exceptional Items	1,205	(20,248)
Total (a)	**2,380**	**(20,877)**
b) Fuel Sales	302	586
Less: Exceptional Items	-	-
Total (b)	**302**	**586**
c) Other Sales	-	(215)
Less: Exceptional Items	-	(238)
Total (c)	-	**(453)**
Total (a+b+c)	**2,682**	**(20,744)**
Less: Finance Cost	(2,732)	(4,513)
Profit/ (Loss) before tax	**(50)**	**(25,257)**
Less: Tax Expenses	393	(664)
Profit after Tax as per statement of profit and loss	**(443)**	**(24,593)**

3. Segment Assets and Liabilities	As at March 31, 2022	As at March 31, 2021
Segment Assets		
a) Express Distribution & Supply Chain	97,457	94,059
b) Fuel Stations	1,278	1,540
c) Others	-	512
d) Unallocated	24,298	27,604
Total Assets	**1,23,033**	**1,23,715**
Segment Liabilities		
a) Express Distribution & Supply Chain	24,346	20,383
b) Fuel Stations	42	64
c) Others	-	208
d) Unallocated	34,974	42,078
Total Liabilities	**59,362**	**62,733**
Capital Employed	**63,671**	**60,982**

4. Depreciation and amortization expense	Year ended March 31, 2022	Year ended March 31, 2021
a) Express Distribution & Supply Chain	3,481	3,999
b) Fuel Stations	11	12
c) Others	-	2
Total	**3,492**	**4,013**

5. Significant non - cash Expenditure	Year ended March 31, 2022	Year ended March 31, 2021
a) Express Distribution & Supply Chain	664	21,668
b) Fuel Sales	5	-
c) Other Sales	-	310
Total	**669**	**21,978**

6. Captial Expenditure	Year ended March 31, 2022	Year ended March 31, 2021
a) Express Distribution & Supply Chain	875	863
b) Fuel Sales	1	0
c) Other Sales	-	-
Total	**876**	**863**

C. **Geographical information**

1. Revenue from External Customers	Year Ended March 31, 2022	Year Ended March 31, 2021
a) India	1,48,994	1,30,732
b) International	-	692
Total	**1,48,994**	**1,31,424**

2. Segment Non Current assets *	As at March 31, 2022	As at March 31, 2021
a) India	68,370	65,612
b) International	-	-
Total Assets	**68,370**	**65,612**

* Non current asset are Excluding Investment, Non current tax assets, Deferred Tax asset.

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(₹ in Lakhs)

44.	Due to Micro enterprises and small enterprises	As at March 31, 2022	As at March 31, 2021
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year :		
	Principal amount due to micro and small enterprises	1560	345
	Interest due on above	10	-
	Total	1,570	345
(ii)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
(iv)	The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

45. The Board of Directors of the company have not recommended any dividend for the current financial year with an objective to conserve cash.

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46. Financial instruments - fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2022, including their levels in the fair value hierarchy.

(₹ in Lakhs)

Particulars	Carrying amount					Fair value			
	FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities- amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Investment in Mutual funds	1,011	-	-	-	1,011	1,011	-	-	1,011
	1,011	-	-	-	**1,011**	**1,011**	-	-	**1,011**
Financial assets not measured at fair value									
Other financial assets		-	2,643	-	2,643	-	-	-	-
Trade receivables	-	-	23,233	-	23,233	-	-	-	-
Cash and cash equivalents	-	-	1,581	-	1,581	-	-	-	-
Other bank balances	-	-	236	-	236	-	-	-	-
	-	-	**27,693**	-	**27,693**	-	-	-	-
Financial liabilities not measured at fair value									
Borrowing	-	-	-	15,233	15,233	-	-	-	-
Lease liabilities	-	-	-	17,201	17,201	-	-	-	-
Trade payables	-	-	-	10,176	10,176	-	-	-	-
Other financial liabilities	-	-	-	12,229	12,229	-	-	-	-
	-	-	-	**54,839**	**54,839**	-	-	-	-

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

(₹ in Lakhs)

Particulars	Carrying amount					Fair value			
	FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities- amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair									
Investment in equity instruments	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Other financial assets	-	-	2,815	-	2,815	-	-	-	-
Trade receivables	-	-	19,546	-	19,546	-	-	-	-
Cash and cash equivalents	-	-	4,247	-	4,247	-	-	-	-
Other bank balances	-	-	1,381	-	1,381	-	-	-	-
	-	-	**27,990**	-	**27,990**	-	-	-	-
Financial liabilities not measured at fair value									
Borrowing	-	-	-	27,601	27,601	-	-	-	-
Lease Liabilities	-	-	-	7,177	7,177	-	-	-	-
Trade Payables	-	-	-	8,908	8,908	-	-	-	-
Other financial liabilities				12,481	12,481	-	-	-	-
	-	-	-	**56,167**	**56,167**	-	-	-	-

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B. Measurement of fair values

i. Valuation techniques and significant unobservable inputs

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

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

ii. Level 1 fair values

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

(₹ in Lakhs)

Particulars	Fair values Equity
Balance at March 31, 2020	7,782
Current Investments during the year	-
Net Gain on Investments measured at FVTPL	80
Equity investments through other comprehensive income	-
Sale proceeds Non current Investments	(7,862)
Balance at March 31, 2021	-
Balance at March 31,2021	-
Current Investments during the year	5,399
Net Gain on investments measured at FVTPL	7
Equity Investments through other comprehensive income	-
Sale proceeds Non current Investments	(4,395)
Balance at March 31, 2022	1,011

C. Financial risk management

The Group's has exposure to the following risks arising from financial instruments:

(i) Credit risk

(ii) Liquidity risk

(iii) Market risk

Risk management framework

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

The Group's activities expose it to credit risk, liquidity risk and market risk. The Group's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Group'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 Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, 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 Group's activities.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

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(a) **Trade receivables, loans and advances**

As per simplified approach, the Group 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 Group uses a provision matrix to compute the credit loss allowance for trade receivables.

The movement of Trade Receivables and Expected Credit Loss are as follows :

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables (Gross)	29,068	23,821
Less: Expected Credit Loss	5,835	4,275
Trade Receivables (Net)	**23,233**	**19,546**

(₹ in Lakhs)

Reconciliation of Loss Allowance (Trade Receivables)	Amount
Loss Allowance in March 31, 2020	3,370
Change in Loss allowance	905
Loss Allowance in March 31, 2021	4,275
Change in Loss allowance	1,560
Loss Allowance in March 31, 2022	5,835

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

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Other Advances Receivables (Gross)	2,483	2,505
Less: Expected Credit Loss	2,321	2,319
Loans and advances (Net)	**162**	**186**

(₹ in Lakhs)

Reconciliation of Loss Allowance on Advances	Amount
Loss Allowance in March 31, 2020	60
Change in Loss allowance	2,259
Loss Allowance in March 31, 2021	2,319
Change in Loss allowance	2
Loss Allowance in March 31, 2022	**2,321**

(b) Security deposits given: The Group has security deposits with lessors for leased premises at the year end. The credit worthiness of such lessors is evaluated by the management on an ongoing basis and is considered good.

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Group 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 Group'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 Group's liquidity position through rolling forecasts on the basis of expected cash flows. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required; such credit facilities are reviewed at regular intervals. Thus, no liquidity risk is perceived at present.

The Group'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 Group's reputation.

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

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(₹ in Lakhs)

March 31, 2022	Carrying amount	Contractual cash flows: Total	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	15,233	15,233	14,379	855	-
Lease liabilities	17,201	26,013	3,897	10,241	11,875
Trade payables	10,176	10,176	10,176	-	-
Other financial liabilities	54,839	54,839	54,839	-	-
	97,449	1,06,261	83,291	11,096	11,875

March 31, 2021	Carrying amount	Contractual cash flows: Total	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	27,601	27,601	24,982	2,619	-
Lease liabilities	7,177	11,067	1,949	5,593	3,525
Trade payables	8,908	8,908	8,908	-	-
Other financial liabilities	12,481	12,481	12,481	-	-
	56,167	60,057	48,320	8,212	3,525

(iii) Floating exchange rate and Interest risk:

Floating exchange rate

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

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The total unhedged foreign currency exposure at the year end towards Trade Receivable & Trade Payable is ₹53 Lakhs (Previous year ₹ 24 Lakhs) and ₹ 29 Lakhs (Previous Year ₹ 59 Lakhs) respectively. The Company does not have significant foreign currency exposure and hence, is not exposed to any significant foreign currency risk.

Interest rate risk

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

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

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed rate instruments		
Financial assets	-	-
Financial liabilities		
Non-Convertible Debentures ("NCD"), Secured	-	9,107
Term Loan From Banks	1,010	2,024
Term Loan From Financial Institutions	14	94
Deposits from Public	404	663
Lease liability	17,201	7,177
	18,629	19,065

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Variable rate instruments		
Financial assets	-	
Financial liabilities		
Term Loan From Banks	-	1,198
Cash Credit	13,806	14,516
	13,806	15,713
Total	32,435	34,778

Sensitivity analysis

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

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

(₹ in Lakhs)

Particulars	Effect on Profit before tax		Effect on total equity	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Variable rate instruments - decrease by 100 basis points	138	157	138	157
Variable rate instruments - increase by 100 basis points	(138)	(157)	(138)	(157)

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

Equity risk

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

Sensitivity analysis

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

(₹ in Lakhs)

Particulars	Effect on Profit before tax		Effect on total equity	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
NSE Nifty 50 - increase by 10% (March 31, 2021: 10%)	101	-	101	-
NSE Nifty 50 - decrease by 10% (March 31, 2021: 10%)	(101)	-	(101)	-

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47. Capital management

The Group'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 Group monitors the return on capital, as well as the level of dividends to equity shareholders. The Group 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 Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders and debt includes borrowings.

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

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings (Including Current maturities of Long term Borrowings)	15,233	27,601
Less:-		
Cash and cash equivalents	(1,581)	(4,247)
Bank Balances other than cash and cash equivalents	(237)	(1,381)
Investments	-	-
Net debt	13,415	21,973
Equity	55,985	52,510
Gearing ratio	0.24	0.42

48. EARNINGS PER SHARE

(₹ in Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Profit/(Loss) for the year	(443)	(22,788)
Weighted average number of shares outstanding (Nos.)	12,27,53,182	12,19,45,977
Diluted average number of shares outstanding (Nos.)	12,55,29,164	12,19,45,977
Basic Earnings Per Share (In ₹)	(0.36)	(18.69)
Diluted Earnings Per Share (In ₹)	(0.36)	(18.69)
Nominal value of shares outstanding (In ₹)	2	2

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49 Related party disclosures- On consolidated Basis

A. Names of related parties and related party relationship

i) Holding Company	1. Allcargo Logistics limited	
ii) List of Key managerial personnel	1. Mr Shashi Kiran Shetty	– Chairman and Managing Director
	2. Mr Mahendra Agarwal	– Founder & CEO (Resigned w.e.f. September 28, 2020)
	3. Mr N Srinivasan	– Director (Resigned w.e.f. Januauy 01, 2021)
	4. Mr P N Shukla	– Director (ceased w.e.f August 03, 2021)
	5. Mr Yasuhiro Kaneda	– Director
	6. Mr Kaiwan Kalayaniwalla	– Director
	7. Ms Cynthia D'Souza	– Director
	8. Mr Dinesh Kumar Lal	– Director
	9. Mr Mohinder Pal Bansal	– Director (Resigned w.e.f. March 04, 2021)
	10. Mr Nilesh Shivji Vikamsey	– Director
	11. Ms Savita Date Menon	– Director (Resigned w.e.f. October 12, 2020)
	12. Mr K L Chugh	– Chairman (Resigned w.e.f. July 24, 2020)
	13. Dr P S Reddy	– Director (Resigned w.e.f. July 08, 2020)
	14. Ms. T S Maharani	– Company Secretary & Compliance Officer
	15. Mr. Rohan Mittal	– Chief Financial Officer (Resigned w.e.f. November 12, 2021)
	16. Mr. Adarsh Hegde	– Chairman & Managing Director of Subsidiary
	17. Mr. Adarsh Hegde	– Director (Appointed w.e.f. July 03, 2020 & Resigned w.e.f. October 05, 2020)
	18. Mr. Bala Subramanian Aghoramurthy	– Deputy Managing Director of Subsidiary (Resigned w.e.f. August 11, 2021)
	19. Mr. Anish T Mathew	– Chief Financial Officer (Appointed w.e.f. February 04, 2022)
	20. Mr. Pirojshaw Sarkari (Phil)	–Appointed as a Chief Executive Officer of the Company w.e.f. August 09, 2021.
iii) Entities in which Key Managerial Personnel & their relatives able to exercise significant influence (SI)	1. TCI Hi-ways Pvt. Ltd.(*)	
	2. Gati Academy (*)	
	3. Jaldi Traders & Commerce House Pvt. Ltd.(*)	
	4. P D Agarwal Foundation (*)	
	5. Giri Roadlines and Commercial Trading Pvt Ltd (*)	
	6. M/s Maneksha & Sethna	
	7. Solaflex Solar Energy Private Limited (*)	
	8. Mandala Agribusiness Investments II Ltd (Related Party of Subsidiary) (#)	
	9. TCI Telenet Solutions Pvt Ltd (*)	
	10. Kintentsu World Express (India) Pvt Limited (Related Party of Subsidiary)	
	11. ABC India Ltd (*)	
	12. Talentos (India) (P) Ltd.	
iv) Fellow Subsidiaries	1. Gati Asia Pacific Pte Ltd. **	
	2. Gati Hong Kong Ltd **	
	3. Gati Cargo Express (Shanghai) Co. Ltd. **	
	4. Allcargo Inland Park Private Limited	
	5. Comptech Solutions Private Limited	
	6. Avvashya CCI Logistics Private Limited	
v) Associate	1. Gati Ship Ltd.	

(*) Ceased to qualify as a related party with effect from September 28, 2020
(**) Ceased to be Subsidiary with effect from August 16, 2020 and became fellow subsidiary to Allcargo logistics Limited
(#) Ceased to qualify as a related party with effect from July 14, 2021 due to disinvestment in GKIL

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Notes to the Consolidated Financial Statements for the year ended March 31, 2022

Related party disclosures

B. Summary of the transactions with related parties :

(₹ in Lakhs)

SL. No	Nature of Transaction	Key Managerial Personnel (KMP) & Relatives		Entities in which KMP & their relatives able to exercise Significant Influence & Fellow Subsidiaries		Holding Company		Total	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
a)	**EXPENDITURE**								
	Rent								
	Giri Roadlines & Commercial Trading Pvt Ltd	-	-	-	32	-	-	-	32
	Jaldi Traders & commerce house Pvt Ltd	-	-	-	75	-	-	-	75
	P.D. Agarwal Foundation	-	-	-	25	-	-	-	25
	TCI Telenet Solutions Pvt Ltd	-	-	-	16	-	-	-	16
	Allcargo Logistics limited	-	-	-	-	5	15	5	15
	Allcargo Inland Park Private Limited	-	-	120	-	-	-	120	-
	Avvashya CCI Logistics Private Limited	-	-	101	-	-	-	101	-
	Kintentsu World Express (India) Pvt Limited	-	-	13	-	-	-	13	-
	Comptech Solutions Private Limited	-	-	12	-	-	-	12	-
	Talentos (India) Pvt Ltd	-	-	34	-	-	-	34	-
	ABC India Limited	-	-	-	1	-	-	-	1
	Freight Expenses								
	Allcargo Logistics Limited	-	-	-	-	-	2	-	2
	Interest Expenses								
	Mandala Agribusiness Investments II Ltd	-	-	-	345	-	-	-	345
	Allcargo Logistics Limited	-	-	-	-	4	86	4	86
	Premium on redemption of debenture								
	Mandala Agribusiness Investments II Ltd	-	-	-	722	-	-	-	722
	Other expenses								
	Avvashya CCI Logistics Private Limited	-		1	-	-	-	1	-
	Solaflex Solar Energy Private Limited	-	-	-	16	-	-	-	16
	Remuneration								
	Mr. Mahendra Agarwal	-	152	-	-	-	-	-	152
	Mr. Bala Aghoramurthy	122	393	-	-	-	-	122	393
	Mr. Adarsh Hedge	150	87	-	-	-	-	150	87
	Mr. Rohan Mittal	171	43	-	-	-	-	171	43
	Ms. T S Maharani	42	27	-	-	-	-	42	27
	Mr.Pirojshaw A Sarkari	116	-	-	-	-	-	116	-
	Mr Anish T Mathew	16	-	-	-	-	-	16	-
	Manpower Expenses								
	Gati Academy	-	-	-	295	-	-	-	295
	Management Fees								
	Avvashya CCI Logistics Private Limited	-	-	112	-	-	-	112	-
	Allcargo Logistics limited	-	-	-	-	323	129	323	129

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Notes to the Consolidated Financial Statements for the year ended March 31, 2022
Related party disclosures
B. Summary of the transactions with related parties :

(₹ in Lakhs)

SL. No	Nature of Transaction	Key Managerial Personnel (KMP) & Relatives		Entities in which KMP & their relatives able to exercise Significant Influence & Fellow Subsidiaries		Holding Company		Total	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
	Legal and Professional Expenses								
	M/s Maneksha & Sethna	-	-	28	5	-	-	28	5
	Directors Sitting Fee								
	Mr. K L Chugh	-	1	-	-	-	-	-	1
	Mr. N Srinivasan	-	3	-	-	-	-	-	3
	Mr. P N Shukla	1	3	-	-	-	-	1	3
	Dr. P S Reddy	-	0	-	-	-	-	-	0
	Ms. Savita Date Menon	-	2	-	-	-	-	-	2
	Mr. Mohinder Pal Bansal	-	3	-	-	-	-	-	3
	Ms. Cynthia D'Souza	2	3	-	-	-	-	2	3
	Mr. Dinesh Kumar Lal	3	3	-	-	-	-	3	3
	Mr. Nilesh Shivji Vikamsey	3	1	-	-	-	-	3	1
b)	**INCOME**								
	Freight								
	Kintentsu World Express (India) Pvt Limited	-	-	843	656	-	-	843	656
	Gati Cargo Express (Shanghai) Co. Ltd.	-	-	108	24	-	-	108	24
	Allcargo Logistics Park Private Limited	-	-	0	-	-		0	-
	Avvashya CCI Logistics Private Limited	-	-	15	-	-		15	-
	Allcargo Logistics limited	-	-	-	-	9	4	9	4
	Warehouse Income								
	Gati Academy	-	-	-	2	-	-	-	2
	TCI Hi-Ways Pvt Ltd	-	-	-	2	-	-	-	2
	Avvashya CCI Logistics Private Limited	-		3				3	-
	Kintentsu World Express (India) Pvt Limited	-	-	6	166	-	-	6	166
	Gati Cargo Express (Shanghai) Co. Ltd.	-	-	59	0	-	-	59	-
	Interest								
	Solaflex Solar Energy Private Limited	-	-	-	1	-	-	-	1
	Management Fees								
	Allcargo Logistics Ltd.	-	-	-	-	203	-	203	-
	Avvashya CCI Logistics Private Limited	-	-	22	-	-	-	22	-

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Consolidated Related Party Transactions statement as on March 31, 2022

C. Summary of the transactions with related parties :

(₹ in Lakhs)

SL. No	Nature of Transaction	Holding Company		Associates		Key Managerial Personnel(KMP) & Entities in which KMP & their relatives able to exercise significant influence & Fellow subsidiaries		Total	
		As at March 31, 2022	As at March 31 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
a)	**Sundry Debtors - Trade Receivable**								
	Kintentsu World Express (India) Pvt Limited	-	-	-	-	196	155	196	155
	Gati Cargo Express (Shanghai) Co Ltd.	-	-	-	-	50	21	50	21
	Avvashya CCI Logistics Private Limited	-	-	-	-	21	-	21	-
	Allcargo Logistics limited	1	3		-	-	-	1	3
	Sundry Debtors - Other Receivable								
	Gati Cargo Express (Shanghai) Co. Ltd	-	-	-	-	27	-	27	-
	Allcargo Logistics Limited	23	-	-	-	-	-	23	-
	Gati Ship Limited	-	-	0	0	-	-	0	0
b)	**Deposit (Given)**								
	Talentos (India) Pvt Ltd	-	-	-	-	23	-	23	-
	Allcargo Inland Park (P) Ltd	-	-	-	-	63	-	63	-
c)	**Long term Borrowings**								
	Mandala Agribusiness Investments II Ltd	-	-	-	-	-	9,535	-	9,535
d)	**Sundry Creditors**								
	Allcargo Logistics limited	1	127				-	1	127
	Gati Cargo Express (Shanghai) Co Ltd.	-	-	-	-	18	18	18	18
	Comptech Solutions Private Limited	-	-	-	-	11	-	11	-
	Kintentsu World Express (India) Pvt Limited	-	-	-	-	2	-	2	-
	Avvashya CCI Logistics Private Limited	-	-	-	-	34	-	34	-
	Allcargo Inland Park Private Limited	-	-	-	-	124	-	124	-
	Bala Subramanian Aghoramurthy	-	-	-	-	-	100	-	100
e)	**Investment held for sale**								
	Gati Ship Limited - Equity Shares	-	-	8,623	8,623	-	-	8,623	8,623
	Impairment on Gati Ship Limited - Equity shares	-	-	(8,623)	(8,623)	-	-	(8,623)	(8,623)

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

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

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

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

(v) Balances as of March 31, 2022 and March 31, 2021 do not include the balances of certain parties which do not qualify as related party w.e.f. July 14, 2021 and September 28, 2020, respectively.

(vi) Wherever amounts are "0", the value is less than rupees fifty thousand.

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50. The value of company's investment in an associate had been fully provided in earlier years therefore the share of loss in that has not been considered in consolidated accounts.

51. Pursuant to the direction of the Hon'ble High Court of New Delhi, in an appeal filed by Air India against the arbitral award of ₹ 2,200 lakhs, which was made over to the company i.e. Gati Limited, in the financial year 2015-16. The company has offered its property in Hyderabad as an interim collateral. Application filed for release of above mentioned collateral in lieu of Bank Guarantee of equivalent amount is allowed by the court on April 18th, 2022. The Company is in the process of submitting the Bank Guarantee (with 100% margin) for release of the said property.

52. The group has identified certain non-core assets for monetization. Proceeds from the disposal of such assets were utilised to discharge debt and other liabilities of the group. (₹ 4720 lakhs and ₹ 5889 lakhs were realized in FY 2022 and FY 2021 respectively).

53. During the year the Board of Directors of the Company issued and allotted 10,23,020 Equity Shares of face value of Rs. 2/- each ("Equity Shares") at a price of Rs. 97.75/- per Equity Share at a premium of Rs. 95.75/- per Equity Share, aggregating up to Rs. 10,00,00,205/- and 71,61,120 Equity Warrants at a price of Rs. 97.75/- per Equity Warrant with the right to warrant holder to apply for and be allotted 1 (One) Equity Share of the face value of Rs. 2/- each of the Company at a premium of Rs. 95.75/- per equity share for each Equity warrant within a period of 18 (Eighteen) months from the date of allotment of the warrants i.e. June 17, 2021, aggregating up to Rs. 69,99,99,480/- to Allcargo Logistics Limited ("ACL"), Promoter of the Company on Preferential issue basis in accordance with Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), as amended, and other applicable laws. Consequently, the shareholding of the ACL increased to 47.30% of the enhanced paid up equity share capital of the Company and on fully diluted basis it is 50.20% (after the conversion of the Equity Warrants). Further, the Company has received the 25% of the Equity Warrants amount on upfront basis during the year and remaining 75% will receive on the exercise of the option of conversion of warrants. Expenses incurred ₹ 13 lakhs for preferential allotment are adjusted against the securities premium.

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

55. During the current financial year, the Company had entered into a Share Purchase Agreement ("SPA") dated May 25, 2021 and transferred its 69.79% of equity holding in GATI Kausar India limited (GKIL) to Mandala Capital AG Limited for the sale consideration of ₹ 5 lakhs, pursuant to this transfer, GKIL ceased to be a subsidiary of Gati limited with effect from July 14, 2021 resulting in a gain of ₹ 6,013 lakhs on account of this loss of control. As a part of transaction one-time severance fees of ₹ 1305 lakhs was also paid from Gati limited to GKIL as per the terms of share purchase agreement. (Refer note on exceptional items 38)

56. The Investment of ₹ 3457 lakhs and ₹ 993 lakhs in Optionally convertible debentures (OCDs) of AmritJal Ventures Pvt Ltd (AJVPL) and Gati Infrastructure Sada-Mangder Private Limited (GISMPL) respectively, had been disposed off during the year at the sale consideration of ₹ 0.25 lakhs for each investment. Gain of ₹0.5 lakhs has been recognised on the disposal of investment as such investments were fully provided in books of accounts in the earlier years. In addition to the above mentioned sale consideration, in case of AJVPL, company has also received ₹ 10 lakhs through the Corporate Insolvency resolution process under ""Insolvency and Bankruptcy Code (IBC) 2016,"" such amount has been shown in "other current finance liabilities".
The Interest accrued and receivables over years on such OCDs of ₹ 1768 lakhs and ₹ 389 lakhs had also been written off during the year for which fair valuation had been done in an earlier year to Nil value, therefore there is no financial impact in financial statements of the year ended March 31, 2022.

57. During the year, the shareholders of the Company have approved the 'Gati - Employees Stock Appreciation Rights Plan 2021 ('ESAR 2021'/'Plan') on January 27, 2022 and the Company has also obtained the in-principle approval from the BSE Limited and the National Stock Exchange of India Limited for the granting of Employee Stock Appreciation Rights ("ESARs") under the Plan to the employees of the Company, its Holding Company and Subsidiary Company(ies). Further, the Nomination and Remuneration Committee of the Board of Directors of the Company vide its meeting held on March 17, 2022 have granted 31,05,000 ESARs to the Employees of the Company, its Holding Company and Subsidiary Company.The necessary accounting for the above has been made in the books of accounts.

58. During the year, the Board of Directors of the Company vide its meeting held on October 26, 2021 and the Shareholders of the Company through Postal Ballot by e-voting on December 17, 2021 have approved the Shifting of Registered Office of the Company from the "State of Telangana" to the "State of Maharashtra at Mumbai", subject to the approval of the Hon'ble Regional Director, South East Region, Hyderabad. Further. the Company has filed the relevant application with the said Hon'ble Regional Director, Hyderabad as per the provisions of the Companies Act, 2013 seeking approval for the same and the matter is pending for the order.

59. Under 'The Direct Tax Vivad se Vishwas Act, 2020 (the scheme), the Department accepted the applications of the Company and the tax liability was assessed at ₹ 3,257 lakhs and the same was provided in the books in financial year 2019-20. The Company had discharged the tax liability by ₹ 1,000 lakhs during the preceding financial year. Further balance liability of ₹ 2,257 lakhs has been discharged during the current financial year. With this the total assessed tax liability under VsV Scheme stands closed.

60. **Other statutory information**
(i) The Group has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 except for the following:

(₹ in lakhs)

Name of Company	Nature of transactions	Balance as at March 31, 2022	Transaction value	Balance as at March 31, 2021
Khandelwal Associates Private Limited	Receivables	-	0	0
D S Creations Of Arts Private Limited	Receivables	-	0	1
Agrawal Trading Company Private Limited	Receivables	-	4	1
Globe Tools Private Limited	Receivables	-	-	0
Mahalaxmi Collections Private Limited	Receivables	-	-	1
Nova Enterprises Private Limited	Receivables	22	-	22
Synthiko Formulations And Chemicals Limited	Receivables	1	-	1
Siddhivinayak Enterprises Private Limite D	Receivables	-	0	0
A.S. Enterprises Private Limited	Receivables	1	2	0
Vinni Chemicals Pvt.Ltd.	Receivables	-	-	0
K S Infotech Private Limited	Receivables	-	5	1
Welcome Trademart Private Limited	Receivables	1	-	1
Indo American Vitamin Foods Private Limited	Receivables	1	0	1
Knitopia Fashions Limited	Receivables	-	2	13
Unique Foods Private Limited	Receivables	-	-	1
Total		**26**	**13**	**44**
DRS Enterprises Private Limited	Payables	4	101	5
Sangam Enterprises Private Limited	Payables	0	-	1
Prince Tyres Private Limited	Payables	-	2	-
Perfect Enterprises Private Limited	Payables	-	0	-
Rana Trading And Exports P.Ltd.	Payables	0	1	-
Patel Motors (Sanawad) Private Limited	Payables	-	0	-
Prem Transport Co Private Limited	Payables	-	-	0
Ashwavega Couriers &Amp; Cargos Private Limited	Payables	0	-	0
Shanti Transport Pvt Ltd	Payables	-	21	45
Classic Logistics Private Limited	Payables	-	3	-
Mangalam Automobiles Private Limited	Payables	0	2	-
D G Raj Commercial Private Limited	Payables	3	-	3
Total		**7**	**130**	**54**

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

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

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

(iii) The Group has not been declared willful defaulter by any bank or financial institution or government or any government authority during current or previous financial year.

(iv) The Group has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries)during current or previous financial year with the understanding that the Intermediary
(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.

(v) The Group has not received any fund from any person or entity, including foreign entities (Funding Party) during current or previous financial year with the understanding (whether recorded in writing or otherwise) that the Group 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 to or on behalf of the Ultimate Beneficiaries.

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

(vii) 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

(viii) 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.

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61. Analysis of Loss/(Gain) on Disposal of Gati Kausar India limited

(₹ in Lakhs)

Computation of loss on disposal of Gati Kausar India limited	Year ended March 31, 2022
Carrying value of net asset sold	(6,641)
Share of Minority Interest in the net assets sold	628
Loss/(Gain) on Disposal	**(6,013)**

Carrying amount of Gati Kausar India limited assets and Liabilities disposed:	July 14, 2021
Property, plant and equipment	3,396
Investment Property	160
Right of use assets	912
Non current tax assets	125
Other Non-current assets	3
Inventories	12
Financial assets	-
Other Financial assets	88
Trade receivables	409
Cash and bank balances	16
Other assets	134
Total Assets	**5,255**
Long Term Borrowings	9,739
Lease liabilities	1,070
Non-Current Provisions	25
Short Term Borrowings	260
Financial Liabilities	-
Trade Payables	183
Others financial liabilities	593
Other current liabilities	26
Total Liabilities	**11,896**
Net Assets derecognized	**(6,641)**

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62. **Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associates**

(₹ in Lakhs)

Name of the Enterprise	2021-22							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent								
Gati Limited	99.29%	63,218	-227%	(2,014)	3%	(7)	-306%	(2,021)
Subsidiaries								
Indian								
1. Gati-Kintetsu Express Pvt. Ltd.	40.24%	25,619	-452%	(4,007)	138%	(313)	-654%	(4,320)
2. Gati Kausar India Ltd.	-	-	630%	5,587	0%	-	845%	5,587
3. Gati Import Export Trading Ltd.	0.08%	53	-6%	(57)	0%	-	-9%	(57)
4. Zen Cargo Movers Pvt. Ltd.	-0.06%	(41)	-1%	(5)	0%	-	-1%	(5)
5. Gati Logistics Parks Pvt. Ltd.	-2.27%	(1,444)	-23%	(202)	0%	-	-31%	(202)
6. Gati Projects Pvt. Ltd.	0.00%	(2)	0%	(0)	0%	-	0%	(0)
Sub total		**87,403**		**(698)**		**(320)**		**(1,018)**
Inter company Elimination and consolidation adjustment	-49.35%	(31,418)	28.75%	255	0%	-	39%	255
Total		**55,985**		**(443)**		**(320)**		**(763)**
Non Controlling Interest in all subsidiaries	12.07%	7,686	-149.99%	(1,330)	41%	(94)	-215%	(1,424)
Grand total	100.00%	**63,671**	100.00%	**887**	100%	**(226)**	100%	**661**

63. **The Subsidiary Companies considered in the Financial Statements are as follows:**

Sl. No.	Name of the subsidiary	Country of Incorporation	% Voting Power as at 31st March,2022	% Voting Power as at 31st March, 2021
1	Gati-Kintetsu Express Pvt. Ltd.	India	70%	70%
2	Gati Kausar India Ltd.	India	-	69.89%
3	Gati Import Export Trading Ltd.	India	100%	100%
4	Zen Cargo Movers Pvt Ltd.	India	100%	100%
5	Gati Logistics Parks Pvt. Ltd.	India	100%	100%
6	Gati Projects Pvt. Ltd.	India	100%	100%

* Gati Kausar India Limited ceased to be a subsidiary with effect from July 14, 2021.

GATI LIMITED HYDERABAD

SINGHI & CO. Chartered Accountants

64. **Employee share-based payment:**

The group has formulated employee share-based payment schemes with objective to attract and retain talent and align the interest of employees with the group as well as to motivate them to contribute to i growth and profitability. The group view employee stock options as instruments that would enable the employees to share the value they create for the group in the years to come. For the year ended 31/03/2022 the group recognised total expenses of ₹ 34 lakhs (31/03/2021 ₹ 1 lakhs) related to Share based Payment schemes. At present, following employee share-based payment scheme is in operation, details of which ar given below:

A) Details of ESAR grants are summarised below -

S.No.	Description	Year ended March 31, 2022	Year ended March 31, 2021
1	Date of shareholders' approval	27-01-2022	-
2	Total number of options approved under ESARs scheme	42,00,000	-
3	Vesting requirements	Vesting period of one year but not later than 4 years from the date of grant	-
4	Exercise price or pricing formula	At a discount of ~39% of the closing price of Company's Equity Share quoted on the National Stock Exchange of India Limited preceding the date of grant of ESARs	-
5	Maximum term of options granted	9 years from the date of Grant	-
6	Source of shares (primary, secondary or combination)	Primary	-
7	Variation of terms of options	No Variations	-
8	Method used to account for ESOS - Intrinsic or fair value	Fair Value Method	-

S. No.	Description	Year ended March 31, 2022	Year ended March 31, 2021
1	Number of options outstanding at the beginning of the year	-	-
2	Number of options granted during the year	31,05,000	-
3	Number of options forfeited/lapsed during the year		-
4	Number of options vested during the year	-	-
5	Number of options exercised during the year	-	-
6	Number of shares arising as a result of exercise of options	-	-
7	Amount realized by exercise of options (Rs.)	NA	-
8	Loan repaid by the Trust during the year from exercise price received	- NA	-
9	Number of options outstanding at the end of the year (out of total number of options approved under scheme)	31,05,000	-
10	Number of options exercisable at the end of the year (out of total number of options approved under scheme)	31,05,000	-

11 **Employee wise details of ESARs granted to**

A. Senior Management

Name of Senior Management Personnel	Designation	Number of ESARs granted during the year	Exercise Price
i) Pirojshaw Sarkari	CEO	2,00,000	85.00
ii) Anish T Mathew	CFO	1,00,000	85.00
iii) T S Maharani	CS	50,000	85.00

B. Any other employee who receive a grant in any one year of amounting to 5% or more of ESARs granted during the year

Name of the employee	Designation	Number of ESARs granted during the year	Exercise Price
i) Pirojshaw Sarkari	CEO	2,00,000	85.00

C. Identified employees who were granted ESARs, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants & conversions) of the Company at the time of grant - **Nil**

12 Description of the method and significant assumptions used during the year to estimate the fair value of the options, including the following weighted average information

The Black Scholes option-pricing model was developed for estimating fair value of traded options that have no vesting restrictions and are fully transferable. Since option-pricing models require use of substantive assumptions, changes therein can materially affect fair value of options. The option pricing models do not necessarily provide a reliable measure of fair value of options.

13 **The fair value has been calculated using the Black Scholes Option Pricing model. The assumptions used in the model are as follows:**

Stock Options granted on	17-Mar-22
Weighted average exercise price (in ₹)	85.00
Weighted average Fair value (in ₹)	88.82
Volatility (%)	54.02%
Dividend yield (%)	0.57%
Life of Options granted (Years)	5.01
Risk free interest rate (%)	6.12%

14 The volatility used in the Black-Scholes option-pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is commensurate with the expected life of the options and is based on the daily volatility of the Company's stock price on NSE.

15 There are no market conditions attached to the grant and vest.

GATI LIMITED HYDERABAD

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B) Details of grants related to ESOS under various series are summarised below

S.No.	Description	Year ended March 31, 2022		Year ended March 31, 2021	
	Scheme No.	ESOS-2006	ESOS-2007	ESOS-2006	ESOS-200
1	Date of shareholders' approval	-		11-10-2006	13-10-200
2	Total number of options approved under ESOS	-		17,82,500	17,55,72
3	Vesting requirements	-		Commences at the expiry of two years from the dat of grant.	
4	Exercise price or pricing formula	-		At a discount of 25% on the average of the weekl high and low of the closing prices for the Company' Equity Shares quoted on the Bombay Stock Exchang and / or National Stock Exchange during the fou weeks preceding the date of grant of the options.	
5	Maximum term of options granted	-		4 years	
6	Source of shares (primary, secondary or combination)	-		Primary	
7	Variation of terms of options	-		Nil	
8	Method used to account for ESOS - Intrinsic or fair value	-		The company has calculated the employe compensation cost using the fair value of the stocl options.	

S. No.	Description	Year ended March 31, 2022		Year ended March 31, 2021	
	Scheme No.	ESOS-2006	ESOS-2007	ESOS-2006	ESOS-2007
1	Number of options outstanding at the beginning of the year (un-granted)	-		8,02,988	9,65,200
2	Number of options granted during the year	-		Nil	Nil
3	Number of options forfeited/lapsed during the year	-		94,905	16,095
4	Number of options vested during the year	-		94,905	16,095
5	Number of options exercised during the year	-		0	0
6	Number of shares arising as a result of exercise of options	-		0	0
7	Amount realized by exercise of options (Rs.)	-		0	0
8	Loan repaid by the Trust during the year from exercise price received	-		NA	NA
9	Number of options outstanding at the end of the year (out of total number of options approved under ESOS)	-		8,97,893	9,81,295
10	Number of options exercisable at the end of the year (out of total number of options approved under ESOS)	-		0	0

11	Stock Options granted on	Weighted average exercise price (in ₹)	Weighted average Fair value (in ₹)	Expected Volatility (%)	Expected Dividend (%)	Life of Options granted (Years)	Risk free interest rate (%)
	06-02-2014	45.60	69.50	9.93%	1.69%	4	8%
	06-08-2014	85.42	113.79	12.59%	1.73%	4	8%
	26-04-2016	87.13	116.18	-6.92%	0.81%	4	8%
	04-11-2016	103.40	137.94	0.72%	0.81%	4	8%
12	**Employee wise details of options granted to**						
	a. Key managerial personnel			Nil	Nil	Nil	Nil
	b. Any other employee who receive a grant of options in any one year of option amounting to 5% or more of option granted during the year			Nil	Nil	Nil	Nil
	c. Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants & conversions) of the Company at the time of grant			Nil	Nil	Nil	Nil

13	Description of the method and significant assumptions used during the year to estimate the fair value of the options, including the following weighted average information	The Black Scholes option-pricing model was developed for estimating fair value of traded options that have no vesting restrictions and are fully transferable. Since option-pricing models require use of substantive assumptions, changes therein can materially affect fair value of options. The option pricing models do not necessarily provide a reliable measure of fair value of options.
14	The main assumptions used in the Black Scholes option-pricing model during the year were as follows:	
	(i) Weighted average values of share price	Refer point no. 11
	(ii) exercise price	Refer point no.11
	(iii) Risk free interest rate	8%
	(iv) Expected Life of Options	3 years
	(v) Expected volatility	26-04-2016 (-6.92%), 04-
	(vi) Dividend yield	0.81%
15	The method used and the assumptions made to incorporate the effects of expected early exercise	NA
16	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	We have considered the historical price of the company at the stock exchange, where the trading volume is high. The average closing price on weekly basis was taken to calculate the volatility of the shares.
17	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	No

65 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.

66. The financial statement are approved for issue by the Audit Committee and by the Board of Directors at its meeting held on May 20, 2022.

As per our report of even date

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

Anurag Singhi
Partner
Membership no: 066274

Place: New Delhi
Date: May 20, 2022

For and on behalf of the Board of Directors

Shashi Kiran Shetty
Chairman & Managing Director
DIN: 00012754

Pirojshaw Sarkari
Chief Executive Officer

Anish T Mathew
Chief Financial Officer
M. No. 211965

T S Maharani
Company Secretary
M. No: F8069

Place: Hyderabad
Date: May 20, 2022

67. Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

PART "A": SUBSIDIARIES

(₹ in Lakhs)

Sl. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation before exceptional items	Exceptional Items	Profit before taxation and exceptional Items	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	Gati-Kintetsu Express Pvt. Ltd.#	April-March	INR	50	25,569	80,395	54,776	-	1,25,314	(790)	(2,517)	(3,306)	701	(4,007)	-	70% held by Parent
2	Gati Kausar India Ltd. *	April-March	INR	-	-	-	-	-	1,008	(427)	-	(427)	(6,012)	5,586	-	69.89% held by Parent
3	Gati Import Export Trading Ltd.^	April-March	INR	230	(177)	219	166	-	57	(4)	(53)	(57)	(0)	(57)	-	100% held by Parent
4	Zen Cargo Movers Pvt Ltd.^	April-March	INR	36	(77)	27	67	-	0	(5)	-	(5)	(1)	(5)	-	100% held by Parent
5	Gati Logistics Parks Pvt. Ltd.^	April-March	INR	1	(1,445)	0	1,444	-	-	(1)	(201)	(202)	-	(202)	-	100% held by Parent
6	Gati Projects Pvt. Ltd.^	April-March	INR	1	(3)	0	2	-	0	(0)	-	(0)	-	(0)	-	100% held by Parent

1. Names of the subsidiaries which are yet to commence operations

Sl. No.	Name of the companies
1	Gati Logistics Parks Pvt. Ltd.
2	Gati Projects Pvt. Ltd.

(*) Gati Kausar India Limited ceased to be a subsidiary with effect from July 14, 2021.
The accounts of the Subsidiary Companies have been audited by the respective statutory auditors and the financial statements of these Companies have been considered in the consolidation.
^The accounts of the Subsidiary Companies have been certified by the management and the financial statements of these Companies have been considered in the consolidation.

PART "B": ASSOCIATES AND JOINT VENTURES

(₹ in Lakhs)

Sl. No.	Name of the Associate/ Joint Venture	Latest audited Balance Sheet date	Shares of Associate/ Joint Ventures held by the company on: No. of shares	Amount of Investment	Extent of holding %	Description of how there is a significant influence	Reason why the associate/joint venture is not consolidated	Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit/loss for the year: Considered in consolidation	Not considered in consolidation
1	Gati Ship Ltd.	31st March, 2022	48,00,000	8,623	47.95%	There is no significant control over the company. So the results are not consolidated.	The company ceases to have significant control after the sale of stake of 12.09% on 16th May, 2014. Hence the same is not considered in consolidation.	52	-	(1)

The value of company's investment in an associate had been fully provided in earlier years therefore the share of loss in that has not been considered in consolidated accounts .

GATI LIMITED HYDERABAD

GENERAL INFORMATION

1. Allcargo Gati Limited was originally incorporated on April 25, 1995, under the Companies Act, 1956 as 'Gati Corporation Limited' and received the commencement of business operations certificate on May 5, 1995, from the Registrar of Companies, Andhra Pradesh at Hyderabad. The name of our Company was changed to 'Gati Limited' pursuant to a fresh certificate of incorporation consequent upon change of name issued by the Registrar of Companies, Andhra Pradesh at Hyderabad on October 24, 2000. Further, the name of our Company was subsequently changed to 'Allcargo Gati Limited' pursuant to a fresh certificate of incorporation consequent upon change of name issued by the Registrar of Companies, Telangana at Hyderabad on October 19, 2023. The Registered Office of the Company was shifted from Western Pearl, 4th Floor, Survey No. 13(p), Kondapur, Rangareddi 500 084, Hyderabad, Telangana, India to 4th Floor, B Wing, Allcargo House, CST Road, Kalina, Santacruz (East), Mumbai 400 098, Maharashtra, India, pursuant to issuance of fresh certificate of registration dated February 27, 2024, confirmation by an order by the regional director dated July 28, 2023 and the approval granted by the Registrar of Companies, Telangana at Hyderabad and Registrar of Companies, Maharashtra at Mumbai. For further details regarding changes in the name and registered office of our Company, see "*Organisational Structure of our Company*" on page 171.

2. The Registered Office of our Company shifted from Western Pearl, 4th Floor, Survey No. 13(p), Kondapur, Rangareddi 500 084, Hyderabad, Telangana, India to 4th Floor, B Wing, Allcargo House, CST Road, Kalina, Santacruz (East), Mumbai 400 098, Maharashtra, India, with effect from February 27, 2024, as approved by the Registrar of Companies, Telangana at Hyderabad and Registrar of Companies, Maharashtra at Mumbai.

3. The CIN of our Company is L63011MH1995PLC420155.

4. The Equity Shares of our Company have been listed on BSE since July 12, 2000 and on NSE since October 10, 2006.

5. Our Company has received in-principle approvals to list the Equity Shares to be issued pursuant to the Issue from BSE and NSE, each on June 24, 2024, under Regulation 28(1) of the SEBI Listing Regulations.

6. Our Registered Office is located at 4th Floor, B Wing, Allcargo House, CST Road, Kalina, Vidyanagari, Santacruz (East), Mumbai 400 098, Maharashtra, India.

7. Our Corporate Office is located at Western Pearl, 4th Floor, Survey No. 13(p), Kondapur, Rangareddi, Hyderabad 500 084, Telangana, India.

8. The website of our Company is www.gati.com

9. The authorised share capital of our Company is ₹ 35,00,00,000 comprising of 17,50,00,000 Equity Shares of face value of ₹ 2 each. As on the date of this Placement Document, the issued, subscribed and paid-up capital of our Company is ₹ 26,05,10,328 comprising of 13,02,55,164 Equity Shares of face value of ₹ 2 each.

10. The Issue was authorised and approved by the Board pursuant to the resolution dated December 21, 2023 and by our Shareholders' pursuant to the special resolution by way of postal ballot dated February 5, 2024.

11. In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed ICRA Limited, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations. Our Company shall, within 45 days from the end of each quarter, upload the report of the Monitoring Agency on our website and also submit the same to the Stock Exchanges.

12. Copies of our Memorandum of Association and Articles of Association will be available for inspection between 9:30 am to 5:30 pm on any weekday (except Saturdays and public holidays) at our Registered Office.

13. Our Company has obtained all necessary consents, approvals and authorisations as may be required in connection with the Issue.

14. Except as disclosed in this Placement Document, there has been no material change in the financial or trading position of our Company since March 31, 2024, the last date of the Audited Consolidated Financial Statements prepared in accordance with applicable accounting standards included in this Placement Document.

15. Except as disclosed in this Placement Document, there are no material litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see section titled "*Legal Proceedings*" on page 223.

16. The Issue will not result in a change in control of our Company.

17. Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.

18. The Floor Price is ₹ 106.07 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations. Our Company has offered a discount of 4.78% amounting to ₹ 5.07 on the Floor Price in accordance with the approval of our Board resolution dated December 21, 2023, and a special resolution passed by our Shareholders by way of postal ballot on February 5, 2024 and Regulation 176(1) of the SEBI ICDR Regulations.

19. Our Company and the BRLMs accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including websites of our Company and our Subsidiaries, would be doing so at their own risk.

20. Thiruvellur Shanthavadhan Maharani is the Company Secretary and Compliance Officer of our Company. Her details are as follows:

Thiruvellur Shanthavadhan Maharani
Western Pearl, 4th Floor,
Survey No. 13(p),
Kondapur, Rangareddi,
Hyderabad 500 084,
Telangana, India
Tel: +91 040 7120 4229
E-mail: maharani.ts@allcargologistics.com

DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment of the Equity Shares pursuant to this Issue shall be made by our Company, in consultation with the BRLMs, to Eligible QIBs. The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them is set forth below. These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, included in the Placement Document to be sent to such proposed Allottees.

S. No.	Name of the proposed Allottees	Percentage of the post-Issue share capital held (%)[(1)(2)]
1.	GOLDMAN SACHS INVESTMENTS (MAURITIUS) I LTD	0.84
2.	MACQUARIE BANK LIMITED	1.69
3.	BOFA SECURITIES EUROPE SA - ODI	0.94
4.	MORGAN STANLEY ASIA (SINGAPORE) PTE. - ODI	0.56
5.	SBI GENERAL INSURANCE COMPANY LIMITED	0.81
6.	SOCIETE GENERALE - ODI	0.56
7.	FUTURE GENERALI INDIA LIFE INSURANCE CO. LTD-SHAREHOLDERS / NON UNIT LINKED	0.07
8.	FUTURE GENERALI INDIA LIFE INSURANCE COMPANY LTD-ULIF009121009FUTDYNAGTH133	0.01
9.	FUTURE GENERALI INDIA LIFE INSURANCE COMPANY LIMITED-ULIF008201008FUPENACTIV133	0.01
10.	FUTURE GENERALI INDIA LIFE INSURANCE COMPANY LIMITED-ULGF003150210FUTGRBALAN133	0.00
11.	FUTURE MIDCAP FUND - ULIF014010518FUTMIDCAP133	0.14
12.	FUTURE GENERALI INDIA LIFE INSURANCE COMPANY LIMITED-ULIF012090910FUTOPPORTU133	0.04
13.	FUTURE GENERALI INDIA LIFE INSURANCE COMPANY LIMITED-ULIF006171008FUPENBALAN133	0.00
14.	GROUP GROWTH FUND - ULGF009010118GRPGTHFUND133	0.00
15.	GROUP SECURE FUND - ULGF007010118GRPSECFUND133	0.01
16.	FUTURE GENERALI INDIA LIFE INSURANCE COMPANY LIMITED-ULIF003180708FUTBALANCE133	0.01
17.	FUTURE GENERALI INDIA LIFE INSURANCE COMPANY LTD-ULIF010231209FUTUREAPEX133	0.06
18.	MAURYAN FIRST	1.08
19.	ZEAL GLOBAL OPPORTUNITIES FUND	0.67
20.	RAJASTHAN GLOBAL SECURITIES PRIVATE LIMITED	1.01
21.	ALPHA ALTERNATIVES FINANCIAL SERVICES PRIVATE LIMITED	0.34
22.	ALPHAMINE ABSOLUTE RETURN FUND	0.34
23.	ABSOLUTE RETURNS SCHEME	0.34
24.	ASTORNE CAPITAL VCC - ARVEN	0.34
25.	SILVER STALLION LIMITED	0.34
26.	SANTOSH INDUSTRIES LIMITED	0.34
27.	ACINTYO INVESTMENT FUND PCC- CELL 1	0.20
28.	KHANDELWAL FINANCE PRIVATE LIMITED	0.67
29.	BEACON STONE CAPITAL VCC - BEACON STONE I	0.13
30.	COGNIZANT CAPITAL DYNAMIC OPPORTUNITIES FUND	0.27

(1) *Based on beneficiary position as on June 21, 2024 (adjusted for Equity Shares Allocated in the Issue).*

(2) *The post-Issue shareholding (in percentage terms) of the proposed Allottees will be disclosed on the basis of their respective PAN, except in case of Mutual Funds, insurance companies, and Eligible FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID will be considered..*

DECLARATION

The Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on the Company's business have been obtained, are currently valid and have been complied with. The Company further certifies that all the statements in this Placement Document are true and correct.

For and on behalf of the Board of Directors, signed by:

____

Authorised Signatory

Name: Shashi Kiran Shetty
Designation: Chairman and Managing Director
DIN: 00012754

Date:
Place:

DECLARATION

We, the Board of Directors of the Company, certify that:

(i) The Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules made thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Placement Document (which includes disclosures prescribed under Form PAS-4).

For and on behalf of the Board of Directors, signed by:

____

Authorised Signatory

Name: Shashi Kiran Shetty
Designation: Chairman and Managing Director
DIN: 00012754

Date:

Place:

I am authorized by the Fund Raise Committee of the Board, *vide* resolution dated March 30, 2024, to sign this form and declare that all the requirements of the Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoter subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

Name: Shashi Kiran Shetty
Designation: Chairman and Managing Director
DIN: 00012754

Date:

Place:

ALLCARGO GATI LIMITED

CIN: L63011MH1995PLC420155
Registered Office:
4th Floor B Wing,
Allcargo House,
CST Road Kalina Santacruz East Mumbai,
Vidyanagari, Mumbai 400 098,
Maharashtra, India
Corporate Office:
Western Pearl, 4th Floor,
Survey No. 13(p),
Kondapur, Rangareddi,
Hyderabad 500 084,
Telangana, India
Telephone: +91 040 7120 4229
E-mail: maharani.ts@allcargologistics.com
Website: www.gati.com

Contact Person

Thiruvellur Shanthavadhan Maharani
Designation: Company Secretary and Compliance Officer
Address: Western Pearl, 4th Floor,
Survey No. 13(p),
Kondapur, Rangareddi,
Hyderabad 500 084,
Telangana, India,
Telephone: +91 040 7120 4229
E-mail: maharani.ts@allcargologistics.com

Book Running Lead Managers

Nuvama Wealth Management Limited (*Formerly known as Edelweiss Securities Limited*)

801- 804, Wing A, Building No. 3, Inspire BKC,
G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051,
Maharashtra, India

Equirus Capital Private Limited

12th Floor, C Wing, Marathon Futurex, N. M. Joshi Marg,
Lower Parel,
Mumbai 400 013
Maharashtra, India

STATUTORY AUDITORS OF OUR COMPANY

M/s. S.R. Batliboi & Associates, Chartered Accountants
12th Floor, The Ruby,
29 Senapati Bapat Marg, Dadar (West)
Mumbai - 400 028,
Maharashtra, India
Tel: +91 22 6819 8000

LEGAL COUNSELS TO OUR COMPANY AS TO THE INDIAN LAW

J. Sagar Associates
One Lodha Place, 27th Floor,
Senapati Bapat Marg,
Lower Parel,
Mumbai 400 013,
Maharashtra, India

LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS

As to Indian law

Trilegal
DLF Cyber Park, Tower C, 1st Floor,
Phase II, Udyog Vihar, Sector 20,
Gurugram 122 008
Haryana, India

Special Counsel as to International law

Duane Morris & Selvam LLP
16 Collyer Quay, #17-00
Singapore 049318

APPLICATION FORM

"An indicative form of the Application Form is set forth below:"

(Note: The format of the Application Form included herein above is indicative and for illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. The Company, in consultation with the BRLMs, had identified Eligible QIBs and circulate serially numbered copies of the Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of the Preliminary Placement Document and the Application Form and not on the basis of the indicative format below.)

APPLICATION FORM

Allcargo Gati Limited
(*Incorporated in the Republic of India under the provisions of the Companies Act, 1956*)
Registered Office: 4th Floor B Wing, Allcargo House, CST Road Kalina Santacruz East Mumbai, Vidyanagari, Mumbai 400 098, Maharashtra, India | **Corporate Office:** Western Pearl, 4th Floor, Survey No. 13(p), Kondapur, Rangareddi, Hyderabad 500 084, Telangana, India
Contact Person: Thiruvellur Shanthavadhan Maharani, Company Secretary and Compliance Officer;
Tel: +91 040 7120 4229; **E-mail**: maharani.ts@allcargologistics.com; **Website**: www.gati.com;
CIN: L63011MH1995PLC420155
LEI: 335800RFFZE43SKB5A30 | **ISIN**: INE152B01027

Name of Bidder: ______________________________________
Form No: ____
Date: ____________________________

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹ 2 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE") AGGREGATING TO APPROXIMATELY ₹ [●] CRORES ON UNDERTAKEN IN ACCORDANCE WITH CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY ALLCARGO GATI LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ [●] AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs"), as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, which (a) are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (b) are not prohibited or debarred by any regulatory authority for buying or selling or dealing in securities or restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue and submit this Application Form, and (ii) are residents in India or Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"), or a multilateral or bilateral development financial institution eligible to invest in India under applicable law, including the FEMA Rules; can submit this Application Form.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act ("Regulation S") and in accordance with the applicable laws of the jurisdictions where those offers and sales are made. You should note and observe the selling and transfer restrictions contained in the sections entitled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 195 and 204, respectively, in the accompanying preliminary placement document dated [●] (the "PPD").

ELIGIBLE NON-RESIDENT QIBs CAN PARTICIPATE IN THE ISSUE IN COMPLIANCE WITH THE FEMA RULES. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THIS ISSUE, THROUGH PORTFOLIO INVESTMENT SCHEME AND SCHEDULE II OF THE FEMA RULES, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES A LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE, AS PRESCRIBED UNDER THE FEMA RULES. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,

The Board of Directors
ALLCARGO GATI LIMITED
Registered and Corporate Office: 4th Floor B Wing, Allcargo House, CST Road Kalina Santacruz East Mumbai, Vidyanagari, Mumbai 400 098, Maharashtra, India
Corporate Office: Western Pearl, 4th Floor, Survey No. 13(p), Kondapur, Rangareddi, Hyderabad 500 084, Telangana, India

Dear Sirs,

STATUS (Please ✓)			
FI	Scheduled Commercial Banks and Financial Institutions	**AIF**	Alternative Investment Fund*
MF	Mutual Funds	**IF**	Insurance Funds
FPI	Foreign Portfolio Investors**	**NIF**	National Investment Fund
VCF	Venture Capital Funds**	**SI-NBFC**	Systemically Important Non-Banking Financial Companies
IC	Insurance Companies	**OTH**	Others ________________ (Please specify)

** Sponsor and Manager should be Indian owned and controlled.*
***Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue*

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the PPD and this Application Form. We confirm that we are an Eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a Promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the Promoters of the Company, directly or indirectly and this Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoter. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with Promoters or persons related to Promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules, nor an FVCI. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**"). We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We note that the Company is entitled, in consultation with Nuvama Wealth Management Limited (Formerly known as Edelweiss Securities Limited) and Equirus Capital Private Limited (together, the "**BRLMs**"), in its sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document (when issued) and the CAN, when issued, and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLMs; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or in case of rejection of Bids or non-allocation of Equity Shares or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document (when issued), the SEBI ICDR Regulations and other applicable laws, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge and agree that (i) our names, addresses, nationalities, contact details, email IDs, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Maharashtra at Mumbai (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of BSE Limited and National Stock Exchange of India Limited (together, the "**Stock Exchanges**") and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the Reserve Bank of India ("**RBI**") and other applicable laws.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections entitled *"Notice to Investors"*, *"Representations by Investors"*, *"Issue Procedure"*, *"Selling Restrictions"* and "*Purchaser Representations and Transfer Restrictions*" of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLMs, each of whom is entitled to rely on, and is relying on, these representations warranties, acknowledgements and agreements in consummating the Issue.

By submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section entitled "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLMs or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document (when issued), this Application Form, the confirmation of allocation note ("**CAN**"), when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchange; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with the BRLMs, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the BRLMs; (9) if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document (when issued), this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below; (10) we are located outside the United States; (11) we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares; (12) no action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction; (13) we satisfy any and all relevant suitability standards for investors in the Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in the Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares; (14) we acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date; and (15) in case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account on behalf of the Eligible QIB.

BIDDER DETAILS (in Block Letters)				
NAME OF BIDDER*				
NATIONALITY				
REGISTERED ADDRESS				
CITY AND CODE				
COUNTRY				
TELEPHONE NO.			**FAX. NO.**	
EMAIL ID				
LEI No.				
FOR ELIGIBLE FPIs**	**SEBI FPI Registration Number:**	**For AIFs***/ MFs/ VCFs***/ SI-NBFCs/ ICs/IFs**	**SEBI AIF / MF/ VCF Registration Number / RBI Registrations details for SI-NBFCs / IRDAI Registration details for ICs**	

[*]Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the Bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the BRLMs.

[**]In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.

[***]Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER BY 3.00 P.M. (IST), [●], 2024	
Name of the Account	Allcargo Gati Limited - QIP Escrow Account 2024
Name of the Bank	Axis Bank Limited
Address of the Branch of the Bank	Axis House, 6th Floor, C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai 400 025, Maharashtra
Account Type	Escrow
Account Number	924020030872203
LEI Number	335800RFFZE43SKB5A30
IFSC	UTIB0000008
Tel No.	+91 022 24253672
E-mail	vishal.lade@axisbank.com

The Bid Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of Allcargo Gati Limited - QIP Escrow Account 2024". Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Bid/Issue Closing Date. The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.

DEPOSITORY ACCOUNT DETAILS		
Depository Name(Please ✓)	National Security Depository Limited	Central Depository Services (India) Limited
Depository Participant Name		
DP – ID	I N	
Beneficiary Account Number		(16-digit beneficiary account. no. to be mentioned above)

The Demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. **However, for the purpose of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.**

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the BRLMs shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	
NO. OF EQUITY SHARES BID		**PRICE PER EQUITY SHARE (RUPEES)**	
(In figures)	(In words)	(In figures)	(In words)
BID AMOUNT (RUPEES)			
(In figures)		(In words)	

DETAILS OF CONTACT PERSON			
NAME			
ADDRESS			
TEL. NO.		**FAX NO.**	
EMAIL			

OTHER DETAILS	
PAN[*]	
Date of Application	
Signature of Authorised Signatory (may be signed either physically or digitally)[**]	

ENCLOSURES ATTACHED

Attested/ certified true copy of the following:

- ☐ Copy of PAN Card or PAN allotment letter
- ☐ Copy of FPI Registration Certificate /MF Registration certificate / SEBI certificate of registration for AIFs/VCF/SI-NBFC/IC/IF
- ☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank
- ☐ Copy of notification as a public financial institution
- ☐ FIR
- ☐ Copy of IRDAI registration certificate
- ☐ Intimation of being part of the same group
- ☐ Certified true copy of Power of Attorney
- ☐ Other, please specify

[*]It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961.

[**]A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.

Note:

(1) Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein.

(2) The Application Form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the BRLMs.

(3) This Application Form, the PPD and the Placement Document sent to you/ be sent to you, either in physical form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.

(4) The duly filed Application Form along with all enclosures shall be submitted to the BRLMs either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in PPD.