

May 28, 2019

<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. Tel: 022 - 2272 1233 / 34 Fax: 022 - 2272 2131 / 1072/ 2037 / 2061 / 41 Email: corp.relations@bseindia.com corp.compliance@bseindia.com	<b>National Stock Exchange of India Ltd.</b> Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Tel: 022 - 2659 8235 / 36 / 452 Fax: 022 - 2659 8237/ 38 Email: cmlist@nse.co.in
<b>Scrip Code: 532345</b>	<b>Symbol : GATI</b>

Dear Sir,

**Sub: - Outcome of Board Meeting – May 28, 2019**

This is to inform you that Board of Directors of the Company at its meeting held today i.e. Tuesday, May 28, 2019, inter-alia approved the following:

- 1) Pursuant to regulation 33 of SEBI (LODR) Regulations, 2015, the audited financial results (Standalone & Consolidated) for the quarter and year ended March 31, 2019.
- 2) Recommendation of dividend @ 40% i.e., Re. 0.80/- per equity share of Rs. 2/- each for the year ended March 31, 2019, which shall be paid within 30 days from the conclusion of the ensuing Annual General Meeting subject to approval of the shareholders of the company.
- 3) Appointment of Mr. Peter H. Jayakumar as the Chief Financial Officer of the Company with immediate effect i.e., 28-05-2019. Further, the brief profile of Mr. Peter H. Jayakumar is enclosed as follows:

*Mr. Peter H Jayakumar, is a Chartered Accountant with 30 years of post-qualification experience. He is associated with the Gati Group with over 20 plus years in the various areas of Corporate Finance & Banking, Corporate Reporting, Taxation, Corporate Strategy, Financial Planning, Corporate Internal Audit, Risk Management, and other related functional areas. He started his career with Lovelock and Lewes, (PWC) Chartered Accountants.*

Please find enclosed copy of the audited financial results (Standalone & Consolidated) for the quarter and year ended March 31, 2019, along with the audit report and the statement of impact of Audit Qualification.

The meeting of board of directors commenced at 11:15 a.m. and concluded at 07:00 p.m.

This is for your kind information and records.

Thanking you,

Yours faithfully,

For Gati Limited

  
Mahendra Agarwal  
Founder & CEO



**Corporate & Regd. Office: Gati Limited**

Plot No.20, Survey No.12, Kothaguda, Kondapur, Hyderabad - 500 084, Telangana, India. Tel.: (040) 71204284, Fax: (040) 23112318

investor.services@gati.com | CIN: L6301ITGI995PLC020121 | Toll Free No.: 1860 123 4284 | www.gati.com

**Independent Auditor's Report on Quarterly Standalone Financial Results and Standalone Year to Date Results of GATI Limited pursuant to regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015**

To,

**The Board of Directors of Gati Limited**

1. We have audited the accompanying standalone financial results ('the Statement') of M/s. Gati Limited for the quarter and year ended 31<sup>st</sup> March, 2019, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation') read with the SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016 ('the Circular'). Attention is drawn to the fact that the figures for the quarter ended March 31, 2019 and the corresponding quarter ended in the previous year as reported in the Statement are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the current and previous financial year respectively. This statement is the responsibility of the Company's management and has been approved by the Board of Directors in their meeting on May 28, 2019.
2. The Statement has been prepared on the basis of annual financial statements and reviewed quarterly financial results upto the end of third quarter which is the responsibility of the Company's management. Our responsibility is to express an opinion on the Statement based on our audit of such standalone financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with rules issued there under, other accounting principles generally accepted in India and in compliance with requirement of the Regulation.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting amounts disclosed in the statement. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.
4. Attention is drawn to the following :
  - a) As stated in note 5 of the statement, during the financial year 2018-2019 the Company has received Income tax demand for Rs. 2111 lakhs relating to financial year 2012-13 due to disallowance of capital loss for MAT computation u/s 115JB of the Income tax Act, 1961. The Company has filed an appeal before the Hon'ble High Court, Telangana as the issue involves interpretation of law and no provision for the said tax demand has been made in the financial statements of the company during the year. In view of the uncertainty, we were unable to determine the impact on the standalone financial statements for the said demand.
  - b) As stated in note 3 of the statement, The Company has given operational advances to few parties aggregating Rs. 1849 lakhs which is long overdue and the full recoverability of which is doubtful. No impairment allowance for potential collectability has been recognized against above advances. Based on the information received from the management of the Company regarding the assumptions used in assessing the recoverability of this amount, we were unable to determine the impact on the financial statements, of a potential adjustment for impairment that might have been necessary in order to present the balance at its estimated recoverable value.

Our opinion is qualified in respect of the above matters



5. Further, without qualifying our opinion, we draw your attention to the following matters:
- a) As stated in note 6 of the statement, loans given to a subsidiary amounting to Rs. 2001 lakhs in earlier years and during the year, which is outstanding as at the reporting date. The management is 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.
  - b) As stated in note 7 of the statement, based on the Scheme of arrangement by the Hon'ble Andhra Pradesh High Court by its Order dated March 19, 2013 the company had created Special Reserve which allows its utilization for adjustment of any capital losses arising from transfer of assets and certain other losses as specified in the Scheme and as the Board of director may deem fit. The Company had adjusted an amount of Rs. 291 Lakhs against the said Special Reserve in earlier years, which has been now recovered during the year and adjusted in the financial results for the year ended 31st March, 2019.
6. Based on our audit conducted as above, except for the matter as described in paragraph 4 above, the quarterly standalone financial results as well as the year to date results:
- a) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5,2016 in this regard; and
  - b) give true and fair view of the financial performance including other comprehensive income and other financial information for the quarter ended 31<sup>st</sup> March 2019 as well as the year to date results for the period from 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019.

Place: Kolkata  
Date : 28<sup>th</sup> day of May, 2019



For Singhi & Co.  
Chartered Accountants  
Firm's Registration Number: 302049E  
  
(Anurag Singhi)  
Partner  
Membership Number: 066274

## GATI LIMITED

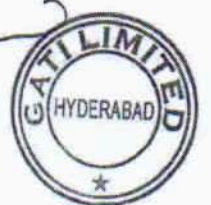
CIN : L63011TG1995PLC020121

Regd. &amp; Corp Office: Plot no.20, Survey no.12, Kothaguda, Kondapur, Hyderabad - 500 084.

website: www.gati.com e-mail: investor.services@gati.com Telephone: 040 71204284 Fax: 040 23112318

## STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st March, 2019

Particulars	(₹. in Lakhs)				
	QUARTER ENDED			YEAR ENDED	
	31.03.2019 Audited	31.12.2018 Unaudited	31.03.2018 Audited	31.03.2019 Audited	31.03.2018 Audited
<b>Income:</b>					
Revenue from operations	12,684	14,409	11,133	51,618	44,611
Other Income	634	314	980	2,627	7,862
<b>Total Income</b>	<b>13,318</b>	<b>14,723</b>	<b>12,113</b>	<b>54,245</b>	<b>52,473</b>
<b>Expenditure:</b>					
Purchase of Stock in trade	7,002	7,550	6,301	28,355	23,344
Changes in inventories of stock in trade	(79)	72	(37)	(61)	(66)
Operating Expenses	4,167	4,932	3,800	16,876	16,091
Employee benefits expense	759	731	644	2,723	2,884
Finance Cost	355	388	482	1,509	1,936
Depreciation expense	95	99	97	401	495
Other expenses	626	403	263	1,887	1,361
<b>Total expenses</b>	<b>12,925</b>	<b>14,175</b>	<b>11,550</b>	<b>51,690</b>	<b>46,045</b>
<b>Profit/(Loss) Before Exceptional items and Tax</b>	<b>393</b>	<b>548</b>	<b>563</b>	<b>2,555</b>	<b>6,428</b>
Exceptional Items	-	-	(2,360)	-	(2,360)
<b>Profit/(Loss) Before Tax</b>	<b>393</b>	<b>548</b>	<b>(1,797)</b>	<b>2,555</b>	<b>4,068</b>
<b>Tax expenses</b>					
Current tax	0	72	(29)	130	620
Deferred tax	-	-	(477)	-	-
<b>Profit/(Loss) for the period</b>	<b>393</b>	<b>476</b>	<b>(1,291)</b>	<b>2,425</b>	<b>3,448</b>
<b>Other Comprehensive Income :</b>					
-					
Items that will not be reclassified in profit or loss	(50)	(27)	12	(187)	24
- Income tax relating to items that will not be reclassified to profit or loss	-	-	(3)	-	-
<b>Other Comprehensive income for the period, net of tax</b>	<b>(50)</b>	<b>(27)</b>	<b>9</b>	<b>(187)</b>	<b>24</b>
<b>Total Comprehensive income for the Period</b>	<b>343</b>	<b>449</b>	<b>(1,282)</b>	<b>2,238</b>	<b>3,472</b>
Paid up Equity Share Capital (Face Value of the Share Rs.2/- each)	2,171	2,171	2,167	2,171	2,167
Other Equity				74,554	73,234
<b>Earnings Per Share(EPS) (Not annualised for Quarters)</b>					
- Basic	0.36	0.43	(1.26)	2.24	3.36
- Diluted	0.36	0.43	(1.25)	2.23	3.35



Gati Ltd.,

(₹. in Lakhs)

## Statement of Assets &amp; Liabilities

Particulars	As at 31st March 2019	As at 31st March 2018
	Audited	Audited
<b>ASSETS</b>		
<b>Non - Current Assets</b>		
Property, Plant & Equipment	28,235	28,618
Capital Work in Progress	51	8
Investment in Subsidiaries	56,785	56,785
<b>Financial Assets</b>		
Investments	240	392
Loans	2,005	1,814
Deferred Tax Assets (Net)	-	-
Non Current Tax Asset	1,373	1,371
Other Non-Current Assets	1,291	1,259
	<b>89,980</b>	<b>90,247</b>
<b>Current Assets</b>		
Inventories	274	213
<b>Financial Assets</b>		
Trade Receivables	4,050	3,737
Cash and Cash Equivalents	1,323	1,088
Bank Balance other than above	2,005	1,283
Loans	10	8
Others	2,644	2,864
Other Current Assets	375	423
	<b>10,681</b>	<b>9,616</b>
<b>Total</b>	<b>1,00,661</b>	<b>99,863</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share Capital	2,171	2,167
Other Equity	74,554	73,234
	<b>76,725</b>	<b>75,401</b>
<b>Non-Current Liabilities</b>		
<b>Financial Liabilities</b>		
Long Term Borrowings	7,503	10,355
Other Non Current Liabilities	694	587
Provision	54	41
	<b>8,251</b>	<b>10,983</b>
<b>Current Liabilities</b>		
<b>Financial Liabilities</b>		
Short Term Borrowings	1,046	696
Trade Payables		
(a) Total Outstanding Dues of micro and small enterprises	-	-
(b) Total Outstanding Dues of creditor other than micro and small enterprises	6,508	4,216
Other	7,607	7,885
Other Current Liabilities	508	676
Provisions	16	6
	<b>15,685</b>	<b>13,479</b>
<b>Total</b>	<b>1,00,661</b>	<b>99,863</b>



*Signature*

**Audited Standalone Segment wise Revenue, Results, and Assets and Liabilities  
for the Quarter and Year ended 31st March 2019**

Particulars	Quarter Ended			Year Ended		(₹. in Lakhs)
	31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018	
<b>1. Segment Revenue</b>						
(Net Sale / Income from each Segment)						
a) Express Distribution	Audited	Unaudited	Audited	Audited	Audited	
b) Fuel Stations	5,515	6,578	4,637	22,409	20,499	
	7,169	7,831	6,496	29,209	24,112	
<b>Total</b>	<b>12,684</b>	<b>14,409</b>	<b>11,133</b>	<b>51,618</b>	<b>44,611</b>	
Less: Inter Segment Revenue	-	-	-	-	-	
<b>Net Sales / Income from Operations</b>	<b>12,684</b>	<b>14,409</b>	<b>11,133</b>	<b>51,618</b>	<b>44,611</b>	
<b>2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)</b>						
a) Express Distribution	538	765	854	3,306	7,698	
b) Fuel Stations	210	171	191	758	666	
<b>Total</b>	<b>748</b>	<b>936</b>	<b>1,045</b>	<b>4,064</b>	<b>8,364</b>	
Less: Finance Cost	(355)	(388)	(482)	(1,509)	(1,936)	
Less: Exceptional Items	-	-	(2,360)	-	(2,360)	
<b>Profit before tax</b>	<b>393</b>	<b>548</b>	<b>(1,797)</b>	<b>2,555</b>	<b>4,068</b>	
<b>3. Segment Assets</b>						
a) Express Distribution	37,203	38,235	37,209	37,203	37,209	
b) Fuel Stations	2,965	2,440	2,214	2,965	2,214	
c) Unallocated	60,493	60,169	60,440	60,493	60,440	
<b>Total Assets</b>	<b>1,00,661</b>	<b>1,00,844</b>	<b>99,863</b>	<b>1,00,661</b>	<b>99,863</b>	
<b>Segment Liabilities</b>						
a) Express Distribution	9,610	10,229	7,497	9,610	7,497	
b) Fuel Stations	66	60	61	66	61	
c) Unallocated/ Corporate/ Inter Segment	14,260	14,032	16,904	14,260	16,904	
<b>Total Liabilities</b>	<b>23,936</b>	<b>24,321</b>	<b>24,462</b>	<b>23,936</b>	<b>24,462</b>	



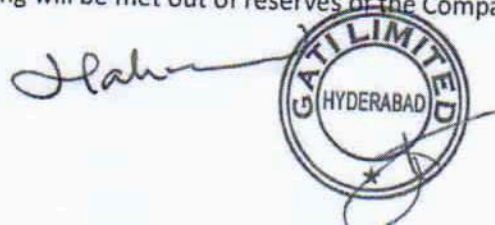
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**Notes:**

1. The audited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 28, 2019.
2. The Company is mainly engaged in E-commerce logistics, Integrated Freight Forwarding, running of Fuel Stations.
3. The Company has initiated recovery of overdue advances given ₹ 2,015 lakhs to two companies in an earlier year and out of which ₹ 166 lakhs has been recovered during the twelve month period. The management is hopeful of recovering the balance outstanding amount of ₹ 1,849 lakhs over a period of time and in its opinion, provision is not required. The said matter has been qualified by statutory auditor in their audit report.
4. Pursuant to the Order of the Hon`ble High Court of New Delhi in an appeal preferred by Air India , an amount of ₹ 2,200 lakhs was given on account by Air India in an earlier year, pending adjudication of Cross Appeals before the Division Bench of the said Hon`ble High Court at New Delhi. Necessary adjustments, if any, will be made in the accounts upon the decision of the Hon`ble High Court of New Delhi.
5. During the quarter, Income Tax Appellate Tribunal (ITAT) has dismissed an appeal filed by the company against order of Principal Commissioner of Income Tax passed u/s. 263 for allowance of capital loss on sale of investments u/s 115JB of the Income Tax Act, 1961 relating to financial year 2012-13. The Company has filed an appeal before the Hon `ble High Court, Telangana against the order of ITAT. According to legal opinion the demand is not sustainable and hence no provision for the demand is presently considered necessary. The said matter has been qualified by statutory auditor in their audit report.
6. Company has given interest free loan to a wholly owned subsidiary amounting to ₹ 2,001 lakhs towards financing a project in an earlier year, which is yet to commence operations. During the quarter the company has entered into a deed of mortgage for land with the said subsidiary as security towards the aforesaid loan. The said matter has been mentioned in emphasis of matter by statutory auditor in their audit report.
7. Other Income during the year includes ₹ 291 lakhs being advances written off in an earlier year, relating to an associate and adjusted with special reserve, now recovered.
8. Effective April 01, 2018, the Company adopted Ind AS-115 "Revenue from Contracts with Customers" using modified retrospective approach as on April 1, 2018. Due to change in the accounting policy for revenue recognition, revenue from operations for the period is lower by ₹23 lakhs, if existing standards were applicable.
9. The post of Company Secretary and Chief Financial Officer was vacant during the year. The Company has appointed a Chief Financial Officer with effect from May 28, 2019.
10. The Board of Directors at its meeting held today has recommended a dividend of ₹ 0.80 ( 40%) per equity share of ₹ 2 each for the financial year ended March 31, 2019, which upon approval by the shareholders at the ensuing Annual General Meeting will be met out of reserves of the Company.




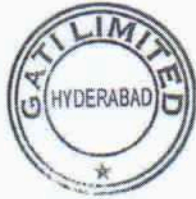
11. Figures of the quarter ended March 31, 2019 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2019 and year to date figures up to December 31, 2018, being the date of the end of the third quarter of the financial year.
12. Figures of the previous quarters/periods have been regrouped/ re-arranged wherever considered necessary.



Place: Hyderabad  
Date: May 28, 2019



For GATI LIMITED

  
Mahendra Agarwal  
Founder & CEO  
DIN: 00179779





**Statement of Impact of Audit Qualification submitted along-with Annual Audited  
Financial Results**

**Gati Limited – Standalone Audited financial results  
Statement on Impact of Audit Qualifications for the Financial Year ended 31 March 2019**

*(₹ in lakhs, except for details of EPS)*

I	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
				[to be read with II(a) and II(e)(ii) below]
	1.	Total revenue	54,245	54,245
	2.	Total expenses	51,690	51,690
	3.	Net Profit	2,425	2,425
	4.	Earnings per share (in absolute ₹)	2.24	2.24
	5.	Total assets	1,00,661	1,00,661
	6.	Total liabilities	23,936	23,936
	7.	Net-worth	76,725	76,725
	8.	Any other financial item(s) (as felt appropriate by the management)		

**II Audit Qualification (each audit qualification separately):**

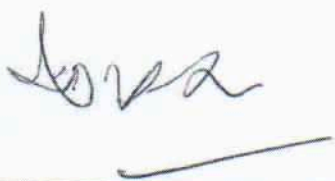



**a. Details of Audit Qualification:**

- The Company has given operational advances to few parties aggregating ₹ 1,849 lakhs which is long overdue and the full recoverability of which is doubtful. No impairment allowance for potential collectability has been recognized against above advances. Based on the information received from the management of the Company regarding the assumptions used in assessing the recoverability of this amount, we were unable to determine the impact on the financial statements, of a potential adjustment for impairment that might have been necessary in order to present the balance at its estimated recoverable value.



	<p>2. During the financial year 2018-2019 the Company has received Income tax demand for ₹ 2,111 lakhs relating to financial year 2012-13 due to disallowance of capital loss for MAT computation u/s 115JB of the Income tax Act, 1961. The Company has filed an appeal before the Hon'ble High Court, Telangana as the issue involves interpretation of law and no provision for the said tax demand has been made in the financial statements of the company during the year. In view of the uncertainty, we were unable to determine the impact on the standalone financial statements for the said demand.</p>
	<p><b>b. Type of Audit Qualification : Modified Opinion</b></p>
	<p><b>b. Frequency of qualification:</b>          II. a. 1. appeared second time in the current year and          II. a. 2. appeared first time in the current year ended 31 March 2019.</p>
	<p><b>d. For Audit Qualification where the impact is quantified by the auditor, Management's Views:</b>           Not applicable</p>
	<p><b>e. For Audit Qualification where the impact is not quantified by the auditor:</b></p>
	<p><b>(i) Management's estimation on the impact of audit qualification:</b></p>
	<p><b>(ii) If management is unable to estimate the impact, reasons for the same:</b></p> <p>a) The Company has initiated recovery of overdue advances given ₹ 2,015 lakhs to two companies in an earlier year and out of which ₹ 166 lakhs has been recovered during the twelve month period. The management is hopeful of recovering the balance outstanding amount of ₹. 1,849 lakhs over a period of time and in its opinion, provision is not required. The said matter has been qualified by statutory auditor in their audit report.</p> <p>b) During the quarter, Income Tax Appellate Tribunal (ITAT) has dismissed an appeal filed by the company against order of Principal Commissioner of Income Tax passed u/s. 263 for allowance of capital loss on sale of investments u/s 115JB of the Income Tax Act, 1961 relating to financial year 2012-13. The Company has filed an appeal before the Hon 'ble High Court, Telangana against the order of ITAT. According to legal opinion the demand is not sustainable and hence no provision for the demand is presently considered necessary. The said matter has been qualified by statutory auditor in their audit report.</p>



(iii) Auditors' Comments on (i) or (ii) above: As stated in II(a) above	
III	<b>Signatories:</b>
	<ul style="list-style-type: none"> <li>N Srinivasan Audit Committee Chairman DIN: 00004195</li> </ul> 
	<ul style="list-style-type: none"> <li>Mahendra Agarwal Founder &amp; CEO DIN: 00179779</li> </ul> 
	<ul style="list-style-type: none"> <li>Peter H Jaya kumar Chief Financial officer</li> </ul> 
	Place: Hyderabad
	Date: 28th May 2019
	<ul style="list-style-type: none"> <li>Statutory Auditor For Singhi &amp; Co. Chartered Accountants ICAI Firm Registration No: 302049E Anurag Singhi Partner Membership no: 066274</li> </ul> 
	Place: Kolkata
	Date: 28th May 2019

11-11-19

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**Independent Auditor's Report on Quarterly Consolidated Financial Results and Consolidated Year to Date Results of GATI Limited pursuant to regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015**

To,  
The Board of Directors of Gati Limited

1. We have audited the accompanying statement of consolidated financial results ('CFS statement') of Gati Limited ('the Company') and its Subsidiaries (collectively referred to as 'the Group') for the quarter and year ended March 31, 2019, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation') read with the SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016 ('the Circular'). Attention is drawn to the fact that the figures for the quarter ended March 31, 2019 and the corresponding quarter ended in the previous year as reported in the CFS Statement are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the current and previous financial year respectively. This statement is the responsibility of the Company's management and has been approved by the Board of Directors in their meeting on May 28, 2019.
2. The CFS Statement has been prepared on the basis of annual financial statements and reviewed quarterly financial results upto the end of third quarter which is the responsibility of the Company's management. Our responsibility is to express an opinion on the CFS statement based on our audit of such CFS statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with requirement of the Regulation and the Circular.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the CFS Statement are free of material misstatement. An audit includes examining, on a test check basis, evidence supporting amounts disclosed in the statement. An audit also includes assessing the accompanying principles used and significant estimates made by management. We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.
4. Attention is drawn to the following :
  - (i) As stated in note 5 of the CFS statement, during the financial year the Company has received Income tax demand for Rs. 2111 lakhs relating to financial year 2012-13 due to disallowance of capital loss for MAT computation u/s 115JB of the Income tax Act, 1961. The Company has filed an appeal before the Hon'ble High Court, Telangana as the issue involves interpretation of law and no provision for the said tax demand has been made in the financial statements of the company during the year. In view of the uncertainty, we were unable to determine the impact on the consolidated financial statements for the said demand.



- (ii) As stated in note 3 of the CFS statement, The Company and one of the subsidiary, Gati Kintetsu Express (P) Ltd, has given operational advances to few parties aggregating Rs. 2288 lakhs which is long overdue and the full recoverability of which is doubtful. No impairment allowance for potential collectability has been recognized against above advances. Based on the information received from the management of the Company regarding the assumptions used in assessing the recoverability of this amount, we were unable to determine the impact on the financial result, of a potential adjustment for impairment that might have been necessary in order to present the balance at its estimated recoverable value.
- (iii) As stated in note 11 of the CFS statement In one of the subsidiary, 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 Rs. 837 Lakhs 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, we are unable to comment upon the adequacy of the provision and its consequential impact on the financial result.

Our opinion is qualified in respect of above matters.

5. Further, without qualifying our opinion, we draw your attention to the following matters:

- a) As stated in note 10, managerial remuneration has been paid to the Executive chairman of one of the subsidiary of the company for the year ended March'19 which exceeded the limit prescribed under section 197 read with Schedule V of the Companies Act, 2013 by Rs. 106 lakhs. Pending necessary approvals for the excess remuneration from members' of the company, no adjustment to the financial results has been made.
- b) As stated in note 7, based on the Scheme of arrangement by the Hon'ble Andhra Pradesh High Court by its Order dated March 19, 2013 the company had created Special Reserve which allows its utilization for adjustment of any capital losses arising from transfer of assets and certain other losses as specified in the Scheme and as the Board of director may deem fit. The Company has adjusted an amount of Rs. 291 Lakhs against the said Special Reserve in earlier years, which has been now recovered during the year and adjusted in financial results for the year ended 31<sup>st</sup> March 2019.
- c) As stated in note 12, one of the subsidiary, Gati Kausar India Limited has incurred a net loss of Rs.1710 Lakhs during the year ended 31 March 2019, and as of that date, the Company's accumulated losses amounts to Rs. 7828 Lakhs, which has resulted in complete erosion of the net worth of the of the said subsidiary and the said subsidiary's current liabilities exceeded its current assets by Rs.3386 Lakhs. These conditions indicate existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. As stated in note number 12 of the CFS statement, going concern basis of accounting used in preparation of the accompanying financial statements is dependent upon the successful implementation of the resolution plan envisaged by the key shareholders and management of the Company.



6. (i) We did not audit the financial statements / financial information of five Indian subsidiaries whose financial statements / financial information reflect total assets of Rs11824 Lakhs as at 31<sup>st</sup> March, 2019 and total revenue of Rs15479 Lakhs for the year ended 31<sup>st</sup> March 2019 as considered in the statement. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, are based solely on the report of other auditors.

(ii) We did not audit the financial statements / financial information of one foreign subsidiary, whose financial statements / financial information reflect total assets of Rs.884 lakhs as at 31<sup>st</sup> March, 2019 and total revenue of Rs. 5830 Lakhs for the year ended 31<sup>st</sup> March 2019 as considered in the consolidated financial statements. This financial statements / financial information are audited as per the local law of the respective country and have been converted by the management of the Company into Ind-AS compliant financial statements. Our opinion on the statement in so far as relates to the amounts included in respect of this subsidiary is based solely on such management certified financial statements.

Our opinion on the statement is not qualified in respect of the above matters with regard 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.

7. Based on our audit conducted as above, except for the matter as described in the Para 4 (i) , Para 4 (ii) and Para(iii) of opinion paragraph above, the CFS statement for the year in our opinion and to the best of our information and according to the explanations given to us:

(i) Includes financial results of the following entities:

Naime of the Entity	Relationship
Gati Kintetsu Express Private Limited	Subsidiary
Gati Import Export Trading Limited	Subsidiary
ZEN Cargo Movers Private Limited	Subsidiary
Gati Kausar India Limited	Subsidiary
Gati Logistics Parks Private Limited	Subsidiary
Gati Project Private Limited	Subsidiary
Asia Pacific Pte Limited. Including its subsidiaries Gati Hong Kong Limited Gati (Thailand) Limited (Ceased to be subsidiary as on 01-04-2018) Gati Cargo Express (Shanghai) Co. Limited	Subsidiary



- (ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016;
- (iii) give true and fair view of the financial performance including other comprehensive income and other financial information for the quarter ended 31<sup>st</sup> March 2019 as well as the year to date results for the period from 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019.



Place: Kolkata  
Date: 28<sup>th</sup> day of May, 2019

For Singhi & Co.  
Chartered Accountants  
Firm's Registration Number: 302049E

A handwritten signature in blue ink, appearing to read "Anurag Singh", written over the printed name below.

(Anurag Singh)  
Partner

Membership Number: 066274

## GATI LIMITED

CIN: L63011TG1995PLC020121

Regd. &amp; Corp Office: Plot No 20, Survey No 12, Kothaguda, Kondapur, Hyderabad 500 084

website: www.gati.com e-mail: investor.services@gati.com Phone No. - 040 71204284 Fax - 040 23112318

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH, 2019

(₹. in Lakhs)

Particulars	Quarter Ended			Year Ended	
	31.03.2019 Audited	31.12.2018 Unaudited	31.03.2018 Audited	31.03.2019 Audited	31.03.2018 Audited
<b>Income:</b>					
Revenue from Operations	45,939	48,056	45,530	1,86,319	1,73,647
Other Income	747	249	2,109	1,596	7,785
<b>Total Income</b>	<b>46,686</b>	<b>48,305</b>	<b>47,639</b>	<b>1,87,915</b>	<b>1,81,432</b>
<b>Expenditure :</b>					
- Purchases of Stock in trade	9,922	10,187	8,371	38,451	30,721
- Changes in Inventories of Stock in trade	(53)	(174)	(206)	(315)	(233)
- Operating Expense	25,037	26,930	26,487	1,04,479	1,00,724
- Employee Benefit Expense	4,440	4,784	4,877	18,636	19,121
- Finance Cost	1,139	1,166	1,242	4,527	4,695
- Depreciation and Amortisation Expense	730	738	740	2,952	3,000
- Other Expenses	3,976	3,938	4,454	15,638	15,604
<b>Total Expenses</b>	<b>45,191</b>	<b>47,569</b>	<b>45,965</b>	<b>1,84,368</b>	<b>1,73,632</b>
<b>Profit/(Loss) Before Exceptional Items and Tax</b>	<b>1,495</b>	<b>736</b>	<b>1,674</b>	<b>3,547</b>	<b>7,800</b>
Exceptional Items	-	-	(2,360)	-	(2,360)
<b>Profit/(Loss) Before Tax</b>	<b>1,495</b>	<b>736</b>	<b>(686)</b>	<b>3,547</b>	<b>5,440</b>
<b>Tax Expense</b>					
- Current tax	218	298	182	1,115	971
- Deferred Tax	216	17	(391)	128	558
<b>Profit/(Loss) for the period</b>	<b>1,061</b>	<b>421</b>	<b>(477)</b>	<b>2,304</b>	<b>3,911</b>
<b>Other Comprehensive income</b>					
A) - Items that will not be reclassified to Profit or loss	(168)	(30)	128	(311)	41
-Income Tax relating to Items that will not be reclassified to Profit or loss	33	1	(41)	36	(3)
B) - Items that will be reclassified to Profit or loss	-	(6)	(1,006)	(40)	(1,026)
-Income Tax relating to Items that will be reclassified to Profit or loss	-	-	-	-	-
<b>Other Comprehensive income for the period, net of tax</b>	<b>(135)</b>	<b>(35)</b>	<b>(919)</b>	<b>(315)</b>	<b>(988)</b>
<b>Total Comprehensive income for the Period</b>	<b>926</b>	<b>386</b>	<b>(1,396)</b>	<b>1,989</b>	<b>2,923</b>
<b>Profit/(Loss) for the Period</b>	<b>1,061</b>	<b>421</b>	<b>(477)</b>	<b>2,304</b>	<b>3,911</b>
<b>Attributable to:</b>					
- Owners of equity	828	369	(590)	1,836	3,423
- Non-Controlling Interest	233	52	113	468	488
<b>Total Comprehensive income for the Period</b>	<b>926</b>	<b>386</b>	<b>(1,396)</b>	<b>1,989</b>	<b>2,923</b>
<b>Total Comprehensive income attributable to:</b>					
- Owners of equity	716	335	(1,527)	1,545	2,436
- Non-Controlling Interest	210	51	131	444	487
<b>Paid up Equity Share Capital</b> (Face Value of the Share Rs.2/- each)	<b>2,171</b>	<b>2,171</b>	<b>2,167</b>	<b>2,171</b>	<b>2,167</b>
<b>Other Equity</b>				<b>70,273</b>	<b>70,681</b>
<b>Earnings Per Share (EPS) (Not annualised for Quarters)</b>					
a) Basic	0.76	0.34	(0.57)	1.69	3.33
b) Diluted	0.76	0.34	(0.57)	1.69	3.33



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**Audited Consolidated Segment wise Revenue, Results, and Assets and Liabilities for the Quarter and Year ended 31st March 2019**

(₹. in Lakhs)

Particulars	Quarter Ended			Year Ended	
	31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018
<b>1. Segment Revenue (Net Sale / Income from each Segment)</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>
a) Express Distribution & Supply Chain	35,674	37,767	37,098	1,46,957	1,42,105
b) Fuel Station	7,169	7,831	6,496	29,209	24,112
c) Other Sales	3,296	2,701	2,086	10,951	7,921
<b>Total</b>	<b>46,139</b>	<b>48,299</b>	<b>45,680</b>	<b>1,87,117</b>	<b>1,74,138</b>
Less: Inter Segment Revenue	(200)	(243)	(115)	(798)	(491)
<b>Net Sales / Income from Operations</b>	<b>45,939</b>	<b>48,056</b>	<b>45,565</b>	<b>1,86,319</b>	<b>1,73,647</b>
<b>2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)</b>					
a) Express Distribution & Supply Chain	2,345	1,763	2,695	7,268	11,783
b) Fuel Station	210	171	191	758	666
c) Other Sales	79	(32)	30	48	46
<b>Total</b>	<b>2,634</b>	<b>1,902</b>	<b>2,916</b>	<b>8,074</b>	<b>12,495</b>
Less: Finance Cost	(1,139)	(1,166)	(1,242)	(4,527)	(4,695)
Less: Exceptional Items	-	-	(2,360)	-	(2,360)
<b>Profit before tax</b>	<b>1,495</b>	<b>736</b>	<b>(686)</b>	<b>3,547</b>	<b>5,440</b>
<b>3. Segment Assets</b>					
a) Express Distribution & Supply Chain	1,34,792	1,38,894	1,34,902	1,34,792	1,34,902
b) Fuel Stations	2,965	2,440	2,214	2,965	2,214
c) Others	3,370	3,175	2,478	3,370	2,478
c) Unallocated	7,838	6,916	6,045	7,838	6,045
<b>Total Assets</b>	<b>1,48,965</b>	<b>1,51,425</b>	<b>1,45,639</b>	<b>1,48,965</b>	<b>1,45,639</b>
<b>Segment Liabilities</b>					
a) Express Distribution & Supply Chain	22,681	26,421	20,539	22,681	20,539
b) Fuel Stations	66	60	61	66	61
c) Others	2,304	2,160	1,618	2,304	1,618
c) Unallocated	39,265	38,869	39,171	39,265	39,171
<b>Total Liabilities</b>	<b>64,316</b>	<b>67,510</b>	<b>61,389</b>	<b>64,316</b>	<b>61,389</b>



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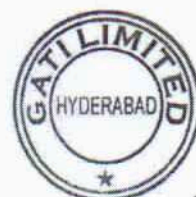


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Audited Consolidated Statement of Assets and Liabilities as at March 31, 2019

(₹. in Lakhs)

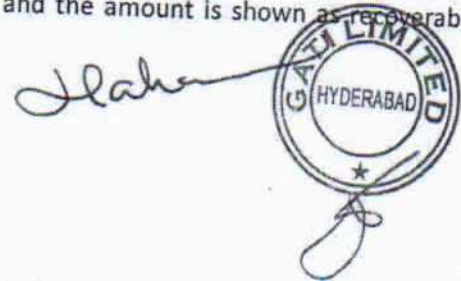
Particulars	March 31, 2019	March 31, 2018
	Audited	Audited
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	56,740	56,438
Capital Work in Progress	511	213
Goodwill	42,580	42,580
Intangible Assets	301	338
Intangible Assets under Development	-	44
Investment in Associates	-	-
Financial Assets		
Investment	243	417
Loans	1,165	1,450
Deferred tax Assets(Net)	425	261
Non Current Tax Asset (Net)	7,066	5,290
Other Non-current assets	2,209	1,566
	<b>1,11,240</b>	<b>1,08,597</b>
<b>CURRENT ASSETS</b>		
Inventories	1,199	902
Financial assets		
Trade receivables	23,893	24,317
Cash and cash equivalents	1,737	1,911
Bank Balances other than above	3,035	2,265
Other financial assets	4,520	4,379
Other current assets	3,167	3,268
Current Tax Assets	14	-
Assets held for sale	160	-
	<b>37,725</b>	<b>37,042</b>
<b>TOTAL ASSETS</b>	<b>1,48,965</b>	<b>1,45,639</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share Capital	2,171	2,167
<b>Other Equity</b>		
Equity attributable to owners of the company	70,273	70,681
Non controlling interest	12,205	11,402
<b>TOTAL EQUITY</b>	<b>84,649</b>	<b>84,250</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Financial liabilities		
Borrowings	16,868	21,604
Other financial liabilities	694	587
Provisions	810	692
	<b>18,372</b>	<b>22,883</b>
<b>CURRENT LIABILITIES</b>		
Financial liabilities		
Borrowings	11,373	10,503
Trade payables		
(a) Total outstanding dues of Micro and Small Enterprises	-	-
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	14,905	12,399
Other financial liabilities	15,941	12,180
Other current liabilities	3,494	3,296
Current Tax Liabilities	4	2
Provisions	227	126
	<b>45,944</b>	<b>38,506</b>
<b>TOTAL LIABILITIES</b>	<b>64,316</b>	<b>61,389</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,48,965</b>	<b>1,45,639</b>



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**Notes:**

1. The audited consolidated financial results have been reviewed by the Audit Committee and approved by the board of Directors at its meeting held on May 28, 2019.
2. Gati Limited ("Company") and its 9 subsidiaries including 3 overseas step down subsidiaries ("Group") are engaged primarily in the business of running Express Distribution, Supply Chain Services, e-Commerce logistics, Integrated Freight Forwarding, Warehousing and running Fuel stations. Investment in one of the overseas step down subsidiary has been disinvested during the year.
3. The Company has initiated recovery of overdue advances given ₹ 2,747 Lakhs to two companies in an earlier year and out of which ₹ 459 Lakhs has been recovered during the twelve month period. The management is hopeful of recovering the balance outstanding amount of ₹ 2,288 Lakhs over a period of time and in its opinion, provision is not required. The said matter has been qualified by statutory auditor in their audit report.
4. Pursuant to the Order of the Hon'ble High Court of New Delhi in an appeal preferred by Air India , an amount of ₹ 2,200 Lakhs was given on account by Air India in an earlier year, pending adjudication of Cross Appeals before the Division Bench of the said Hon'ble High Court at New Delhi. Necessary adjustments, if any, will be made in the accounts upon the decision of the Hon'ble High Court of New Delhi.
5. During the quarter, Income Tax Appellate Tribunal (ITAT) has dismissed an appeal filed by the company against order of Principal Commissioner of Income Tax passed u/s. 263 for allowance of capital loss on sale of investments u/s 115JB of the Income Tax Act, 1961 relating to financial year 2012-13. The Company has filed an appeal before the Hon'ble High Court, Telangana against the order of ITAT. According to legal opinion the demand is not sustainable and hence no provision for the demand is presently considered necessary. The said matter has been qualified by statutory auditor in their audit report.
6. The Board of Directors at its meeting held today has recommended a dividend of ₹ 0.80 ( 40%) per equity share of ₹ 2 each for the financial year ended 31st March 2019, which upon approval by the shareholders at the ensuing Annual General Meeting will be met out of reserves of the Company.
7. Other Income during the year includes ₹ 291 Lakhs being advances written off in earlier years , relating to an associate and adjusted with special reserve, now recovered.
8. Effective April 01, 2018, the Company adopted Ind AS-115 "Revenue from Contracts with Customers" using modified retrospective approach as on April 1, 2018. Due to change in the accounting policy for revenue recognition , revenue from operations for the year is higher by ₹409 Lakhs, if existing standards were applicable.
9. The post of Company Secretary and Chief Financial Officer was vacant during the year. The Company has appointed a Chief Financial Officer with effect from 28<sup>th</sup> May, 2019.
10. The excess remuneration paid to Executive Chairman of subsidiary for the year ended 31<sup>st</sup> March 2019 of ₹ 106 Lakhs is subject to approval of members of the company, under section 197 of the Companies Act, 2013. The excess managerial remuneration paid to the Executive Chairman of a subsidiary pertaining to the financial year 2016-17 and 2017-18 amounting to Rs 78 Lakhs and 63 Lakhs respectively has not been approved by the Shareholders. Accordingly, the same has been reversed in books and the amount is shown as recoverable from the Whole Time Director.



11. During the year ended 31 March 2018, management of the Gati Kausar India Limited (GKIL), a Subsidiary of the Company, has revised its business strategy to adopt an "asset light" model in place of "asset heavy" model in view of the present business scenario and keeping in view the cost benefit analysis. Accordingly, the GKIL has not drawdown the committed loan aggregating to ₹6,100 Lakhs 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 the GKIL has considered a provision of ₹30.50 Lakhs to be adequate to meet its obligations. Further, management of GKIL is confident that no further financial obligations would dwell on the GKIL. This is subject matter of qualification by the statutory auditors of GKIL in their audit report for the year ended 31<sup>st</sup> March 2019.

Gati Ltd., has fully provided the value of investment and its exposure is limited to guarantee of working capital facility of GKIL.

12. During the year ended 31 March 2019, Gati Kausar India Limited (GKIL), a Subsidiary of the Company has incurred a loss of ₹1,710 during the year ended 31 March 2019 and as of that date, the accumulated losses aggregating to ₹7,828, has resulted in complete erosion of its net worth. Also, its current liabilities exceeded its current assets by ₹3,386 as at that date. These events cast significant doubt on the said Subsidiary ability to continue as a going concern and therefore, the said Subsidiary may be unable to realize its assets and discharge its liabilities in the normal course of business. To address this and improve upon its operating and financial performance, the key shareholders along with the management of the said subsidiary is in the process of implementing a resolution plan by focusing on number of measures viz;- (i) operational improvements through revenue enhancement; (ii) balance sheet restructuring to ensure solvency through sustainable cash flows.


Based on the foregoing and management's assessment regarding the favorable outcome of the ongoing negotiations in relation to the unpaid commitment fee as detailed in note 11 above, management believes that the said subsidiary will be able to realize the assets and discharge its liabilities as recorded in these financial results in the normal course of operations. Accordingly, the accompanying financial results of the Company have been prepared considering going concern basis of accounting.

13. The value of 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.
14. Figures of the quarter ended March 31, 2019 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2019 and year to date figures up to December 31, 2018, being the date of the end of the third quarter of the financial year.
15. Figure of the previous quarters / periods have been re-arranged / re-grouped wherever considered necessary.

Place: Hyderabad  
Date: May 28, 2019



For GATI LIMITED

  
Mahendra Agarwal  
Founder and CEO  
DIN: 00179779





**Statement of Impact of Audit Qualification submitted along-with Annual Audited Financial Results**

Gati Limited – Consolidated Audited financial results				
Statement on Impact of Audit Qualifications for the Financial Year ended 31 <sup>st</sup> March 2019				
<i>(₹ in lakhs, except for details of EPS)</i>				
I	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications) <small>[to be read with II(a) and II(e)(ii) below]</small>
	1.	Total revenue	1,87,915	1,87,915
	2.	Total expenses	1,84,368	1,84,368
	3.	Net Profit	2,304	2,304
	4.	Earnings per share (in absolute ₹)	1.69	1.69
	5.	Total assets	1,48,965	1,48,965
	6.	Total liabilities	64,316	64,316
	7.	Net-worth	84,649	84,649
	8.	Any other financial item(s) (as felt appropriate by the management)		
<b>II</b>	<b>Audit Qualification (each audit qualification separately):</b>			
	<b>a. Details of Audit Qualification:</b>			
	<p>i. As stated in note 5 of the CFS statement, during the financial year the Company has received Income tax demand for Rs. 2,111 lakhs relating to financial year 2012-13 due to disallowance of capital loss for MAT computation u/s 115JB of the Income tax Act, 1961. The Company has filed an appeal before the Hon'ble High Court, Telangana as the issue involves interpretation of law and no provision for the said tax demand has been made in the financial statements of the company during the year. In view of the uncertainty, we were unable to determine the impact on the consolidated financial statements for the said demand.</p>			
	<p>ii. As stated in note 3 of the CFS statement, The Company and one of the subsidiary, Gati Kintetsu Express (P) Ltd, has given operational advances to few parties aggregating Rs. 2,288 lakhs which is long overdue and the full recoverability of which is doubtful. No impairment allowance for potential collectability has been recognized against above advances. Based on the information received from the management of the Company regarding the assumptions used in assessing the recoverability of this amount, we were unable to determine the impact on the financial result, of a potential adjustment for impairment that might have been necessary in</p>			



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	order to present the balance at its estimated recoverable value.
	<p>iii. As stated in note.11 of the CFS statement In one of the subsidiary, 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 Rs. 837 Lakhs 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, we are unable to comment upon the adequacy of the provision and its consequential impact on the financial result.</p>
	<b>b. Type of Audit Qualification : Modified Opinion</b>
	<b>c. Frequency of qualification:</b> <ul style="list-style-type: none"> <li>i. appeared for the first time in the current financial year</li> <li>ii &amp; iii. appeared for the Second time in the current year ended 31<sup>st</sup> March 2019</li> </ul>
	<b>d. For Audit Qualification where the impact is quantified by the auditor, Management's Views:</b> Not applicable
	<b>e. For Audit Qualification where the impact is not quantified by the auditor:</b>
	(i) Management's estimation on the impact of audit qualification: Not applicable
	(ii) If management is unable to estimate the impact, reasons for the same: <ul style="list-style-type: none"> <li>i. During the quarter, Income Tax Appellate Tribunal (ITAT) has dismissed an appeal filed by the company against order of Principal Commissioner of Income Tax passed u/s. 263 for allowance of capital loss on sale of investments u/s 115JB of the Income Tax Act, 1961 relating to financial year 2012-13. The Company has filed an appeal before the Hon'ble High Court, Telangana against the order of ITAT. According to legal opinion the demand is not sustainable and hence no provision for the demand is presently considered necessary.</li> <li>ii. The Company has initiated recovery of overdue advances given ₹ 2,747 Lakhs to two companies in an earlier year and out of which ₹ 459 Lakhs has been recovered during the twelve month period. The management is hopeful of recovering the balance outstanding amount of ₹ 2,288 Lakhs over a period of time and in its opinion, provision is not required.</li> <li>iii. During the year ended 31 March 2018, management of Gati Kausar India Limited has revised its business strategy to adopt an "asset light" model in place of "asset heavy" model in view of the present business scenario and keeping in view the cost benefit analysis. Accordingly, Gati Kausar has not drawdown the committed loan aggregating to ₹6,100 Lakhs 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, the management of Gati Kausar has considered a provision of ₹30.50 Lakhs to be adequate to meet its obligation and is confident that no further financial obligations would dwell on the Gati Kausar India Limited.</li> </ul>
	<b>iv. Auditors' Comments on (i) or (ii) above:</b> As stated in II(a) above



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III	Signatories:
	<ul style="list-style-type: none"> <li>N Srinivasan Audit Committee Chairman DIN: 00004195</li> </ul> 
	<ul style="list-style-type: none"> <li>Mahendra Agarwal Founder &amp; CEO DIN: 00179779</li> </ul> 
	<ul style="list-style-type: none"> <li>Peter H Jaya kumar Chief Financial officer</li> </ul> 
	Place: Hyderabad
	Date: 28th May 2019
	<ul style="list-style-type: none"> <li>Statutory Auditor</li> </ul> <p>For Singhi &amp; Co. Chartered Accountants ICAI Firm Registration No: 302049E Anurag Singhi Partner Membership no: 066274</p> 
	Place: Kolkata
	Date: 28th May 2019

*Anurag Singhi*

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