

**GATI KAUSAR INDIA LIMITED**

**33<sup>rd</sup> ANNUAL REPORT  
2016-17**

### **BOARD OF DIRECTORS**

- |    |                            |   |                    |
|----|----------------------------|---|--------------------|
| 1. | Mr. Mahendra Agarwal       | - | Chairman           |
| 2. | Mr. Manish Agarwal         | - | Executive Director |
| 3. | Mr. P. N. Shukla           | - | Director           |
| 4. | Mr. Uday Garg              | - | Director           |
| 5. | Mr. Hiten Varia            | - | Director           |
| 6. | Mr. Ritesh Jalan           | - | Director           |
| 7. | Mr. Anil Kumar Venkat Epur | - | Director           |
| 8. | Ms. Shreya Dalmia          | - | Director           |

### **AUDITORS**

Walker Chandiook & Co LLP, Chartered Accountants

(Formerly Walker, Chandiook & Co)

7th Floor, Block III, White House

Kundan Bagh, Begumpet

Hyderabad - 500 016

### **REGISTERED OFFICE**

1-7-285, M.G. Road

Secunderabad-500 003

Telangana

CIN: U74899TG1984PLC089495

### **DEBENTURE TRUSTEE**

Vistra ITCL (India) Limited

(formerly IL&FS Trust Company Limited)

The IL&FS Financial Centre,

Plot C- 22, G Block, 7th Floor

Bandra Kurla Complex, Bandra (East),

Mumbai 400051

**NOTICE**

Notice is hereby given that the 33<sup>rd</sup> Annual General Meeting of the members of Gati Kausar India Limited ("the Company") will be held on Friday, 28<sup>th</sup> July, 2017 at 05.00 p.m. at Plot no. 20, Sy. No. 12, Kothaguda, Kondapur, Hyderabad – 500 084 to transact the following businesses:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet as at March 31, 2017, the Statement of Profit & Loss for the period ended on that date and the reports of Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Ms. Shreya Dalmia (DIN: 07317197), who retires by rotation and being eligible offers herself for re-appointment.
3. To ratify the appointment of M/s. Walker Chandlok & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) as the Statutory Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting (AGM) of the Company and to fix their remuneration for the financial year ending March 31, 2018.

Place: Hyderabad

Date: 02.05.2017

**Registered office**

1-7-285, M.G. Road, Secunderabad – 500 003

CIN: U74899TG1984PLC089495

Email: investor.services@gati.com


Website: www.gatikausar.com

Tel: 040 7120 4284, Fax: 040 2311 2318



By Order of the Board

For Gati Kausar India Limited

  
Arun Kumar Thirani  
Company Secretary  
M. No. A14002

**Notes:**

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other member.
- 2) The instrument appointing the proxy, duly completed, must be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting (on or before July 26, 2017, 05.00 p.m. IST). A proxy Form is annexed to this Report. Proxies submitted on behalf of Companies, etc., must be supported by an appropriate resolution / authority, as applicable.
- 3) During the period beginning 24 hours before the time fixed for the commencement of the AGM and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged during the business hours of the company, provided that not less than three days of notice in writing is given to the company.

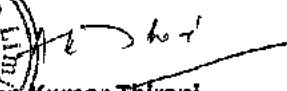
Khastha No 226, Mustil No-57, Village Alamgirpur, Rajpura Road, Dharuhera, Dist-Rewari-123106


**Regd. Office :** 1-7-285, M.G. Road, Secunderabad – 500 003, Telangana, India. Tel: (040) 27845613

- 4) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the relevant Board Resolution together with the respective specimen signature of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting.
- 5) Members/Proxies/Authorized Representatives are requested to bring their duly filled attendance slip along with their copy of Annual Report to the meeting. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the meeting.
- 6) A Route Map showing direction to reach the venue of 33rd Annual General Meeting is given in the Annual Report as per the requirement of the Secretarial Standard – 2 on General Meeting.

Place: Hyderabad  
Date: 02.05.2017

**Registered office**  
1-7-285, M.G. Road, Secunderabad – 500 003  
CIN: U74899TG1984PLC089495  
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Tel: 040 7120 4284, Fax: 040 2311 2318

By Order of the Board  
For Gati Kausar India Limited  
  
Anil Kumar Thirani  
Company Secretary  
M. No. A14002



**Gati Kausar India Limited**

Khasra No 226, Mustil No-57, Village Alamgirpur, Rajpura Road, Dharuhera, Dist-Rewari-123106  
**Regd. Office :** 1-7-285, M.G. Road, Secunderabad - 500 003, Telangana, India. Tel: (040) 27845613

CIN: U74899API984PLC089495 | Toll Free No.: 1800-180-4284 | www.gatikausar.com

## DIRECTORS' REPORT

Your Directors are pleased to present the 33<sup>rd</sup> Annual Report and the Audited Financial Statements of your company for the financial year ended March 31, 2017.

### Financial Results

Particulars	(Rs. In Mn)	
	2016-17	2015-16
Total Income	440.62	494.32
Gross Profit Before Interest, Depreciation & Tax	(0.74)	47.04
Profit Before Tax	(104.19)	(39.96)
Profit After Tax	(104.19)	(39.96)

### Review of Operations

During the year under review, your Company achieved a turnover of Rs. 420,247,372/- and other income of Rs. 20,367,648/- as against the turnover of Rs. 457,537,302/- and other income of Rs. 36,779,356/- in the previous year and a Loss of Rs. 104,193,225/- (previous year loss of Rs. 39,958,020/-).

### Equity Share Capital

The Company's share capital stood at Rs. 74,578,950 as on 31st March, 2017, comprising of 6,525,658 Equity shares of Rs. 10/- each fully paid up and 932,237 2% Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of Rs. 10/- each fully paid up.

### Directors & Key Managerial Personnel (KMP)

In accordance with the provisions of the Companies Act, 2013 Ms. Shreya Dalmia, retires by rotation and being eligible, offers herself for re-appointment.

Apart from the above, there have been no changes in Directors and KMP.

### Meetings of the Board

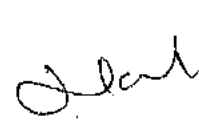

During the financial year 2016-17, the Board met Five (5) times: on April 21, 2016, April 26, 2016, August 02, 2016, October 27, 2016 and January 31, 2017.

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

- a) Audit Committee – The committee met five (5) times: on April 21, 2016, April 26, 2016, August 02, 2016, October 27, 2016 and January 31, 2017.
- b) Nomination & Remuneration Committee – The Committee met once on April 21, 2016.

The following are the attendance details of each director during the financial year under review:

S. No	Name of the Director	No. of meetings attended		
		Board	Audit Committee	Nomination & Remuneration Committee

1)	Mr. Mahendra Agarwal	3	-	-
2)	Mr. Manish Agarwal	5	-	-
3)	Ms. Shreya Dalmia	2	-	-
4)	Mr. Ritesh Jalan	5	5	-
5)	Mr. Anil Epur	5	-	1
6)	Mr. P N Shukla	3	3	1
7)	Mr. Uday Garg	4	4	1
8)	Mr. Hiten Varla	4	-	-

#### **Declaration on Independent Directors**

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

#### **Particulars of Loans, Guarantees and Investments**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 forms part of the Financial Statements.

#### **Audit Committee**

Pursuant to the provisions of the Companies Act, 2013 and rules made thereunder, your Company has constituted Audit Committee comprising of the following Directors:

S. No	Name	Position
1.	Mr. P N Shukla	Chairman
2.	Mr. Ritesh Jalan	Member
3.	Mr. Uday Garg	Member

#### **Risk Management Policy & Internal Financial Controls**

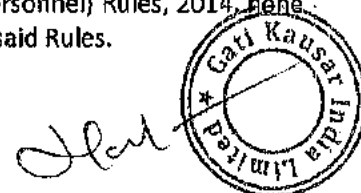
Your company has a Risk Management Policy which has been implemented. The Company has been addressing various risks impacting the Company which includes the identification of various elements of risk impacting the company and mitigation of the same to ensure adequate internal financial controls. Such controls were tested and no reportable material weakness in the design or operation were observed.

#### **Vigil Mechanism**

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns about any instance of any irregularity, unethical practice and/or misconduct has been established. Further, the details as aforesaid is available on the website of your company.

#### **Particulars of Employees and related disclosures**

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, none of the employee draws remuneration in excess of the limits set out in the said Rules.



Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annexure forming part of the Annual Report.

Having regard to the provisions of Section 136(1) read with its relevant proviso of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished without any fee and free of cost.

### **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation their own, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees. The manner in which the evaluation has been carried out has been explained hereunder.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of attendance, engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

The outcome of Board evaluation for Financial Year 2016-17 was discussed by the Nomination and Remuneration Committee and the Board at their meetings held on May 2, 2017.

### **Extract of Annual Return**

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed as Annexure – A.

### **Auditors**


#### **a) Statutory Auditors**

M/s. Walker Chandlok & Co LLP, Chartered Accountants were appointed as the statutory auditors of the company at the 30<sup>th</sup> AGM held on September 30, 2014, for a period of five (5) years, subject to ratification at every AGM. The Company has received letter to the effect that the ratification of appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

#### **b) Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies

*Shah*



Sati Kausar India Limited

(Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. dvmgopal & Associates, Practising Company Secretaries, to undertake the Secretarial Audit of your Company. The Report of the Secretarial Audit is annexed as **Annexure – B**.

Further, the present secretarial auditor M/s. dvmgopal & Associates, a proprietorship concern has extended their business wing and formed a new partnership firm i.e. M/s. DVM & Associates LLP.

Accordingly, your Directors at their meeting held on May 2, 2017 have approved, the appointment of M/s. DVM & Associates LLP, as the secretarial auditors for the FY 2017-18.

#### **Separate meetings of the Independent Directors**

During the year under review, the Independent Directors met on January 31, 2017, inter alia, to discuss:

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

All the Independent Directors were present at the Meeting, except for Mr. P N Shukla.

#### **Remuneration Policy**

Your Directors have, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management Personnel and their remuneration. The details forming part of the Remuneration Policy is annexed as **Annexure – C**.

#### **Related Party Transactions**

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There was one significant related party transactions with the Company's Promoters, Promoter Group, Directors, Senior Management Personnel or their relatives, which could have had a potential conflict with the interests of your Company. Accordingly, Form AOC-2 forms part of the report as **Annexure – D**. Further all Related Party Transactions are placed before the Audit Committee for approval.

#### **Qualification in Audit Reports:**

The replies by the Board on every qualification, reservation or adverse remark or disclaimer made in the Audit Reports are as follows:

##### **a) Secretarial Audit Report:**

- 1) *Partial Compliance with Secretarial Standard pertains to Board & Committee Meetings.*

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A circular stamp with the text "Gati Kanser India Limited" around the perimeter and a star in the center. The stamp is partially overlapping the signature.



Reply: - The Company has complied with the provisions of the Secretarial Standards pertaining to the Board and its committee meetings except for the circulation of the draft minutes for the two meetings for which the company shall comply accordingly.

2) *Non-receipt of requisite shorter notice consent for the EGM held on 31.01.2017 in accordance with Section 101 of the Act.*

Reply: - The Company has received shorter notice consent from the members holding 99.88% of the total voting share capital of the company. Further the company shall also obtain the shorter notice consent from the rest shareholders holding 0.12% of the total voting share capital of the company.

#### **Directors' Responsibility Statement**

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


1. That in the preparation of the Accounts for the period ended March 31, 2017, the applicable accounting standards have been followed;
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the accounts have been prepared on 'going concern' basis, for the period ended March 31, 2017.
5. That the Company, had laid down internal financial controls and that such internal financial controls are adequate and were operating effectively.
6. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

#### **General**

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. During the year under review, your company has not declared any dividend neither has transferred any amount to reserves.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
5. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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6. There were no material changes commitments affecting the financial position of the Company between the end of financial year (March 31, 2017) and the date of the report (May 02, 2017).
7. During the period under review, there were no frauds reported by the auditors under provisions of the Companies Act, 2013.
8. The company does not have any subsidiaries, joint ventures or associate companies.
9. During the year under review, your Company did not accept any public deposits.
10. Non-applicability of Corporate Social Responsibility under Section 135 of the Companies Act, 2013.
11. Change in the nature of business.
12. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo.

#### **Acknowledgment**

Your Company is grateful to the customers and business partners for their support and encouragement especially in the time of slow economic growth. Your Board is appreciative of the passion, dedication and commitment demonstrated on the job by all the employees. Your Directors wish to place on record their gratitude to the Customers, Government, Financial Institutions, Banks and Shareholders for their continuing support, guidance, and assistance over the years.

Place: Hyderabad  
Date: May 02, 2017

For and on behalf of the Board



*Mahendra Agarwal*  
Mahendra Agarwal  
Chairman

DIN: 00179779

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended **March 31, 2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

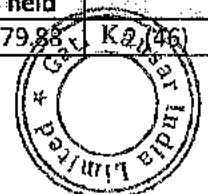
i)	CIN	:	U74899TG1984PLC089495
ii)	Registration Date	:	11.07.1984
iii)	Name of the Company	:	Gati Kausar India Limited
iv)	Category / Sub-Category of the Company	:	Company limited by shares, Indian Non-Government Company.
v)	Address of the Registered Office and Contact details	:	1-7-285, M.G. Road, Secunderabad – 500 003 Email id: investor.services@gati.com Website: <a href="http://www.gatikausar.com">www.gatikausar.com</a>
vi)	Whether listed Company	:	Yes, listed on Debt Securities Market on BSE Ltd.
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	a) <u>For Debt Securities:</u> Karvy Computershare Private Limited Karvy Selenium Tower B Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032 Tel No: 040 6716 2222 Fax No. 040-23001153  b) <u>For Equity shares:</u> Beetal Financial and Computer Services Pvt Limited, BEETAL HOUSE, 3rd Floor, 99, Madangir, behind Local Shopping Centre, New Delhi - 110062 Ph. 011-29961281-283 Fax 011-29961284

**II. PRINCIPLE BUSINESS ACTIVITY OF THE COMPANY**

S. no	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1)	Warehousing of Refrigerated (Cold Storage & Refrigerated Transportation)	52101	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1)	Gati Ltd.,	L630117G1995PLC020121	Holding	79.88%	K2(46)



Plot no.20, Sy. no.12, Kothaguda, Kondapur, Hyderabad-500084.				
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**IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of Total Equity)**

**i) Category-wise shareholding**

Category of Shareholders		No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A</b>	<b>Promoters</b>									
(1)	Indian									
a)	Individual / HUF	-	-	-	-	-	-	-	-	-
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt	-	-	-	-	-	-	-	-	-
d)	Bodies Corporate	5212466	-	5212466	79.88	5212466	-	5212466	79.88	Nil
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any Other*	-	60	60	-	-	60	60	-	Nil
<b>Sub-Total (A) (1)</b>		-	-	-	-	-	-	-	-	-
(2)	Foreign									
a)	NRI Individual	-	-	-	-	-	-	-	-	-
b)	Other Individual	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (2)</b>		-	-	-	-	-	-	-	-	-
<b>Total shareholding of promoter (A) = (A)(1) + (A)(2)</b>		5212466	60	5212526	79.88	5212466	60	5212526	79.88	Nil
<b>B</b>	<b>Public Shareholding</b>									
(1)	Institutions									
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Banks / FI	-	-	-	-	-	-	-	-	-
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt	-	-	-	-	-	-	-	-	-
e)	Venture Capital Fund	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIs	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
l)	Others	-	-	-	-	-	-	-	-	-

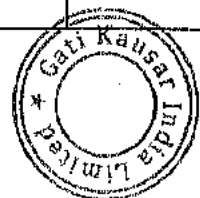


(Specify)										
<b>Sub-Total (B) (1)</b>		-	-	-	-	-	-	-	-	-
<b>(2)</b>	<b>Non-Institutional</b>									
a)	<b>Bodies Corporate</b>									
	i) Indian	-	-	-	-	-	-	-	-	-
	ii) Overseas	-	1305132	1305132	20	-	1305132	1305132	20	Nil
b)	<b>Individuals</b>									
	i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	-	8000	8000	0.12	-	8000	8000	0.12	Nil
	ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	-	-	-	-	-	-	-	-	-
c)	<b>Others (specify)</b>	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(2)</b>		-	1313132	1313132	20.12	-	1313132	1313132	20.12	Nil
<b>Total Public shareholding (B) = (B)(1) + (B)(2)</b>		-	1313132	1313132	20.12	-	1313132	1313132	20.12	Nil
C	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>		5212466	1313192	6525658	100	5212466	1313192	6525658	100	Nil

\*Individuals holding shares in the capacity of Nominee on behalf of Gati Ltd (Promoter).

ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the Company	% of shares pledged / encumbered to the total shares	
Gati Limited	52,12,466	79.88	30	52,12,466	79.88	49	Nil
Peter H Jayakumar**	10	-	-	10	-	-	Nil



Anantha R Kumar**	10	-	-	10	-	-	Nil
NK Pandey**	10	-	-	10	-	-	Nil
GS Ravi Kumar**	10	-	-	10	-	-	Nil
Ramesh Sivaraman**	10	-	-	10	-	-	Nil
Laxminarain Kumawat**	10	-	-	10	-	-	Nil
<b>Total</b>	<b>52,12,526</b>	<b>79.88</b>	<b>30</b>	<b>52,12,526</b>	<b>79.88</b>	<b>49</b>	<b>Nil</b>

\*\*Individuals holding shares in the capacity of Nominee on behalf of Gati Ltd (Promoter).

iii) Change in Promoter's Shareholding (please specify if there is no change) There is no change in the Promoter's shareholding.

iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S no	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date wise increase / (decrease) in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)			Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Date	No. of shares	Nature	No. of shares	% of total shares of the Company
1	Mandala Capital AG Ltd	1305132	20.00	-	-	-	1305132	20.00
2	Jagjeet Singh Teja	1000	0.02	-	-	-	1000	0.02
3	Jatinder Paul	500	0.01	-	-	-	500	0.01
4	Harpal Singh	500	0.01	-	-	-	500	0.01
5	Harkaran Singh	500	0.01	-	-	-	500	0.01
6	Ramesh Makar	500	0.01	-	-	-	500	0.01
7	Motia Rani	500	0.01	-	-	-	500	0.01
8	Meenakshi Makar	500	0.01	-	-	-	500	0.01
9	Rakesh Chander	500	0.01	-	-	-	500	0.01
10	Krishna Bansal	500	0.01	-	-	-	500	0.01

v) Shareholding of Directors and Key Managerial Personnel: None of the Directors and Key Managerial Personnel (KMP) of the Company hold any shares in the Company.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

(Rs. In Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness



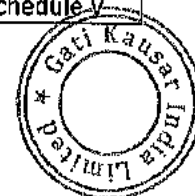
<b>Indebtedness at the beginning of the financial Year</b>				
i) Principal Amount	6944.47	0	0	6944.47
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	284.12	0	0	284.12
<b>Total (i+ii+iii)</b>	<b>7228.59</b>	<b>0</b>	<b>0</b>	<b>7228.59</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	626.81	0	0	626.81
Reduction	593.80	0	0	593.80
<b>Net Change</b>	<b>33.01</b>	<b>0</b>	<b>0</b>	<b>33.01</b>
<b>Indebtedness at the end of the financial Year</b>				
i) Principal Amount	6487.70	0	0	6487.70
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	773.90	0	0	773.90
<b>Total (i+ii+iii)</b>	<b>7,261.60</b>	<b>0</b>	<b>0</b>	<b>7,261.60</b>

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

##### A. Remuneration of Managing Director, Whole-time Directors and/or Manager:

(Amount in Rs.in lakhs)

S. no	Particular of Remuneration	Mr. Manish Agarwal, Executive Director	Total
1	Gross Salary a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961. c) Profit in lieu of salary 17(3) of the Income Tax Act, 1961.	31.97 0.88 -	31.97 0.88 -
2	Stock Option (no. of options)	-	-
3	Sweat Equity	-	-
4	Commission - as a % of profit - others, specify	- -	- -
5	Others, please specify	-	-
	<b>Total (A)</b>	<b>32.85</b>	<b>32.85</b>
	Ceiling as per the Act	As per schedule V	As per schedule V



B. Remuneration to other Directors

(Rupees. in lakhs)

S no	Particular of Remuneration	Name of the Directors						
		Uday Garg	Hiten Varia	Shreya Dalmia	PN Shukla	Anil Kumar Venkat Epur	Ritesh Sanwarmal Jalan	Total
1	Independent Directors							
	(a) Fee for attending board / committee meetings	-	-	-	0.7	0.6	1.0	2.3
	(b) Commission	-	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-	-
	<b>Total (1)</b>	-	-	-	<b>0.7</b>	<b>0.6</b>	<b>1.0</b>	<b>2.3</b>
2	Other Non-Executive Directors							
	a) Fee for attending board / committee meetings	0.9	0.4	0.2	-	-	-	1.5
	b) Commission	-	-	-	-	-	-	-
	c) Others, please specify	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>0.9</b>	<b>0.4</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.5</b>
	<b>Total B = (1+2)</b>	<b>0.9</b>	<b>0.4</b>	<b>0.2</b>	<b>0.7</b>	<b>0.6</b>	<b>1.0</b>	<b>3.8</b>
	Total Managerial Remuneration							-
	Ceiling as per the Act							-

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(Rs. in lakhs)

S. no	Particular of Remuneration	Arun Thirani, Company Secretary	Total
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of Income-tax Act, 1961	22.18	22.18
	(b) Value of perquisites u/s 17 (2) Income tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option (nos.)	-	-






3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others, specify	-	-
5	others, please specify	-	-
	Total	22.18	22.18

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

There were no penalties, Punishment or Compounding of offences during the year ended March 31, 2017

*Handwritten signature*





## SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31<sup>st</sup> March, 2017

### FORM NO MR 3

*Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014*

To  
The Members,  
M/s. Gati Kausar India Limited  
Hyderabad.

We have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Gati Kausar India Limited (hereinafter called as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the audit period covering the Financial Year ended on 31<sup>st</sup> March 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31<sup>st</sup> March, 2017 ("Audit Period") according to the provisions of:
  - 1.1. The Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 ("the Act") and the Rules made thereunder;
  - 1.2. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - 1.3. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - 1.4. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
  - 1.5. The Secretarial Standards on the Meetings of the Board of Directors, Committees and General Meetings issued by the Institute of Company Secretaries of India.
2. We report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards thereunder, except as mentioned below:
  - 2.1. Partial Compliance with Secretarial Standard pertains to Board & Committee Meetings;
  - 2.2. Non receipt of requisite shorter notice consent for the EGM held on 31<sup>st</sup> Oct 2017 in accordance with Section 101 of the Act

Page 1 of 3

# 6/3/154-159, Flat No. 303, 3rd Floor, Royal Majestic, Prem Nagar Colony, Near Banjara Hills, Day's Hospital,  
Hyderabad-500 004. Ph : +91-40-2331 2933, Mobile: 98491 53690

dvmi@dvmgopalandassociates.in | www.dvmgopalandassociates.in



3. The Company is engaged in the business of Land Transportation via Road. Accordingly, the following Industry Specific Acts are applicable to the Company, in view of the Management and as per the Guidance Note issued by the ICSI.

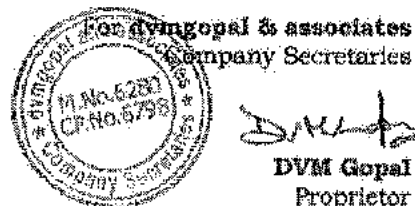
- i) Central Motor Vehicle Rules, 1989
- ii) Motor Transport Workers Act, 1961
- iii) Fatal Accidents Act, 1855
- iv) National Highways Act, 1956
- v) Control of National Highways (Land and Traffic) Act, 2002
- vi) Carriage by Road Act, 2007
- vii) Road Transport Corporations Act, 1950
- viii) Motor Vehicles Act, 1988

4. We further report that:

- 4.1 The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Women Director. The changes in the composition of the Board of Directors during the period under review were carried out in accordance with the provisions.
- 4.2 Adequate Notice along with agenda and detailed notes on agenda is given to all the Directors electronically to schedule the Board Meetings.
- 4.3 Mr. Arun Thirani holds position as a Company Secretary and also as a Chief Financial Officer of the Company under the provisions of Companies Act, 2013.
- 4.4 There exists a system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- 4.5 Decisions at the meetings of the Board of Directors and Committees of the Board of the Company were taken with requisite majority.
- 4.6 There exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

5. We further report that during the audit period, there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Hyderabad  
Date: 02.05.2017



*DVM Gopal*

**DVM Gopal**  
Proprietor  
M No: F 6280  
CP No: 6798

**Note:** This letter is to be read with our letter of even date, which is annexed, and form an integral part of this report.

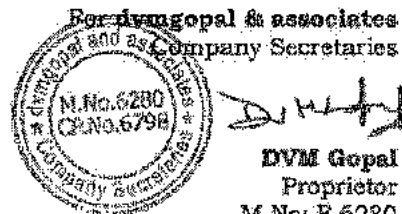
**ANNEXURE**

To  
The Members,  
M/s. Gati Kausar India Limited  
Hyderabad.

Our Report of even date is to be read along with this letter

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on the random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad  
Date: 02.05.2017



DVM Gopal  
Proprietor  
M No: F 6280  
CP No: 6798

**Remuneration Policy**

The Board has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration. This Policy is accordingly derived from the said Charter.

**1. Criteria of Selection of Non-Executive Directors**

- a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the Board shall satisfy itself with regard to the criteria of independence of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c. The Board shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The Board shall consider the following attributes / criteria, whilst recommending the candidature for appointment as Director.
  - a) Qualification, expertise and experience of the Directors in their respective fields;
  - b) Personal, Professional or business standing;
  - c) Diversity of the Board.
- e. In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

**2. Remuneration**

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission as detailed hereunder:

- i. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- ii. A Non-Executive Director will also be entitled to receive commission on an annual basis, of such sum as may be approved by the Board;
- iii. The Board may approve the payment of commission on uniform basis, to reinforce the principles of collective responsibility of the Board;
- iv. The Board may provide a higher commission for the Chairman of the Board of Directors, taking into consideration his overall responsibility;



- v. In determining the quantum of commission payable to the Directors, the Board shall consider the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director;
- vi. The Board may pay, additional commission to those Directors who are Members on the Audit Committee of the Board subject to a ceiling on the total commission payable as may be decided;
- vii. In addition to the remuneration paid under Clause (ii) and (vi) above, the Chairman of the Audit Committee shall be paid an additional commission, as may be approved by the Board;
- viii. The total commission payable to the Directors shall not exceed 1% of the net profit of the Company;
- ix. The commission shall be payable on pro-rata basis to those Directors who occupy office for part of the year;
- x. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

**3. Criteria for selection/appointment of CEO & Managing Director**

For the purpose of selection of the CEO & MD, the Nomination & Remuneration Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

**4. Remuneration for the CEO & Managing Director**

- i. At the time of appointment or re-appointment, the CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of Directors) and the CEO & Managing Director within the overall limits prescribed under the Companies Act, 2013.
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii. The remuneration of the CEO & Managing Director is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retrial benefits. The variable component comprises performance bonus.
- iv. In determining the remuneration (including the fixed increment and performance bonus) the Nomination & Remuneration Committee shall ensure / consider the following:
  - a) the relationship of remuneration and performance benchmarks is clear;
  - b) balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;



- c) responsibility required to be shouldered by the CEO & Managing Director, the industry benchmarks and the current trends;
- d) the Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs.

**5. Remuneration Policy for the Senior Management Employees**

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the Board shall consider the following:

- i. the relationship of remuneration and performance benchmark is clear;
- ii. the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
- iii. the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
- iv. the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.



**Annexure-D**


**FORM NO. AOC-2**

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

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

1.	Details of contracts or arrangements or transactions not at arm's length basis	
	(a) Name(s) of the related party and nature of relationship	NA
	(b) Nature of contracts/arrangements/transactions	
	(c) Duration of the contracts / arrangements/transactions	
	(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
	(e) Justification for entering into such contracts or arrangements or transactions	
	(f) date(s) of approval by the Board	
	(g) Amount paid as advances, if any:	
	(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	
2.	Details of material contracts or arrangement or transactions at arm's length basis:	
	(a) Name(s) of the related party and nature of relationship	Solaflex Solar Energy Private Limited, Mr. Dhruv Agarwal (relative of Mr. Mahendra Agarwal, Mr. Manish Agarwal and Ms. Shreya Dalmia, Directors of the company) being the promoter director and member of the company
	(b) Nature of contracts/arrangements/transactions	Solar Power Purchase Agreement
	(c) Duration of the contracts / arrangements/transactions	20 years
	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	a) Purchase of solar power for 300 Kwh Dharuhera warehouse roof-top project; b) Solar power purchase @ Rs. 5.80 / Kwh with annual escalation of 1.95%.
	(e) Date(s) of approval by the Board, if any:	02.08.2016 and 27.10.2016
	(f) Amount paid as advances, if any:	Rs. 10 Lakhs as interest free security and Rs. 40 Lakhs as interest bearing advance.

*Shah*





**ATTENDANCE SLIP**

**GATI KAUSAR INDIA LIMITED**

Registered office: 1-7-285, MG ROAD, SECUNDERABAD – 500 003  
Email id. investor.services@gatl.com, Tel. No. 040 – 71204284, CIN: U74899TG1984PLC089495

Members attending the Meeting in person or by Proxy are requested to complete the Attendance slip and hand it over at the entrance of the meeting room.

Folio No.	
No. Of shares	

NAME AND ADDRESS OF THE SHAREHOLDER

\_\_\_\_\_

\_\_\_\_\_

I hereby record my presence at the 33rd Annual General Meeting of the company held on Friday, 28<sup>th</sup> July, 2017 at 05.00 p.m. at Plot no.20, Sy.12, Kothaguda, Kondapur, Hyderabad – 500 084.

\_\_\_\_\_  
Signature of Shareholder/proxy

**PROXY FORM**

**GATI KAUSAR INDIA LIMITED**

Registered office: 1-7-285, MG ROAD, SECUNDERABAD – 500 003

Email id. investor.services@gati.com, Tel. No. 040 – 71204284, CIN: U74899TG1984PLC089495

<b>Name of the Member:</b>	
<b>Regd. Address &amp; Email ID</b>	
<b>Folio No.</b>	

I/We, being the member(s) of \_\_\_\_\_ shares of Gati Kausar India Ltd., hereby appoint:

- 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the company held on Friday, 28<sup>th</sup> July, 2017 at 05.00 p.m. at Plot no. 20, Sy. 12, Kothaguda, Kondapur, Hyderabad – 500 084 and at any adjournment thereof in respect of such resolutions as are indicated below:

I wish my above proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
<b>Ordinary Business:</b>		
1) Adoption of Audited Financial Statements of the Company for the financial year ended March 31, 2017, the reports of Board of Directors and Auditors thereon		
2) Appointment of Ms. Shreya Dalmia, Director retiring by rotation.		
3) Ratification of re-appointment of Statutory Auditors		

Affix Revenue Stamp
---------------------------

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

\_\_\_\_\_  
Signature of shareholder

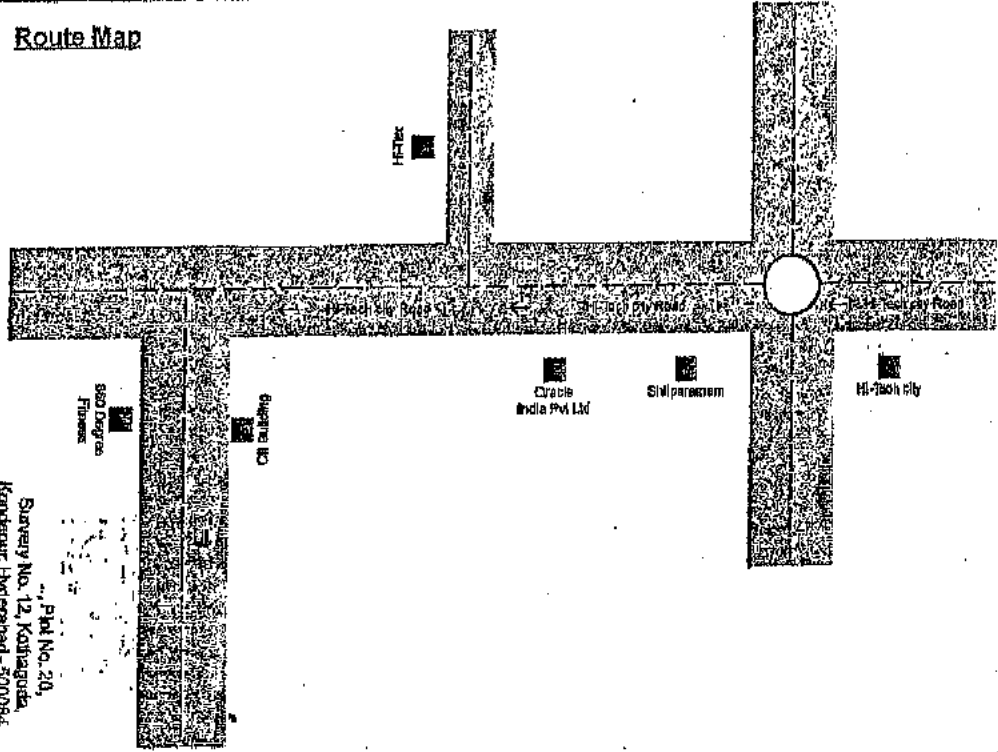
\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. A Proxy need not to be a member of the Company.

**Route Map**



Plot No. 20,  
Survey No. 12, Kothaguda,  
Kondapur, Hyderabad - 500084.

Financial Statements and Independent Auditor's Report

**Gati Kausar India Limited**

31 March 2017

## **Contents**

Independent Auditor's Report

Balance Sheet

Statement of Profit and Loss

Cash Flow Statement

Summary of significant accounting policies and other explanatory information

# Walker Chandiook & Co LLP

Walker Chandiook & Co LLP  
(Formerly Walker, Chandiook & Co)  
7th Floor, Block III, White House  
Kundan Bagh, Begumpet  
Hyderabad 500016  
India

T +91 40 6630 8200  
F +91 40 6630 8230

## Independent Auditor's Report

To the Members of Gati Kausar India Limited

### Report on the Financial Statements

1. We have audited the accompanying financial statements of Gati Kausar India Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



# Walker Chandiook & Co LLP

## Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

## Opinion


8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its loss and its cash flows for the year ended on that date.

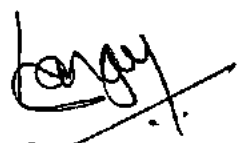
## Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("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.
10. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the financial statements dealt with by this report are in agreement with the books of account;

# Walker Chandiook & Co LLP

- d. in our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 2 May 2017 as per Annexure B expressed an unmodified opinion;
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. or the Company does not have any pending litigation which would impact its financial position
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. or there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
  - iv. the Company, as detailed in note 26 to the financial statements, has made requisite disclosures in these financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

  
For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

  
per Sanjay Kumar Jain  
Partner  
Membership No.: 207660

Place: Hyderabad  
Date: 2 May 2017



# Walker Chandiook & Co LLP

## Annexure A to the Independent Auditor's Report of even date to the members of Gati Kausar India Limited, on the financial statements for the year ended 31 March 2017

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except in respect of certain block of assets capitalized during the year.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (which are included under the head 'fixed assets') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

Annexure B to the Independent Auditor's Report of even date to the members Gati Kausar India Limited, on the financial statements for the year ended 31 March 2017

## Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of Gati Kausar India Limited ("the Company") as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

### Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the 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 the company's business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

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# Walker Chandiook & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members Gati Kausar India Limited, on the financial statements for the year ended 31 March 2017

## Meaning of Internal Financial Controls over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

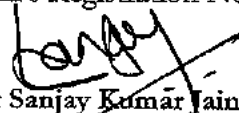
## Opinion

8. In our opinion, the Company has, in all material respects, adequate IFCoFR and such IFCoFR were operating effectively as at 31 March 2017, based on IFCoFR criteria established by the company considering the essential components of internal control stated in the Guidance noted issued by the ICAI.

  
For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

  
per Sanjay Kumar Jain  
Partner

Membership No.: 207660

Place: Hyderabad

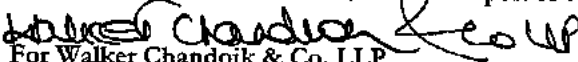

Date: 2 May 2017

**Gati Kausar India Limited**  
**Balance Sheet as at 31 March 2017**  
(All amounts in ₹ unless otherwise stated)


	Notes	As at 31 March	
		2017	2016
<b>I Equity and liabilities</b>			
<b>1 Shareholders' funds</b>			
a. Share capital	3	74,578,950	74,578,950
b. Reserves and surplus	4	4,730,347	158,359,902
<b>Total Shareholders' funds</b>		<b>79,309,297</b>	<b>232,938,852</b>
<b>2 Non-current liabilities</b>			
a. Long-term borrowings	5	626,283,853	627,659,513
b. Other long-term liabilities	5(a)	77,390,435	27,954,105
c. Long-term provisions	6	2,300,000	1,732,206
<b>Total non-current liabilities</b>		<b>705,974,288</b>	<b>657,345,824</b>
<b>3 Current liabilities</b>			
a. Short-term borrowings	7	7,407,538	19,918,497
b. Trade payables			
- total outstanding dues of micro and small enterprises		6,800,390	9,175,801
- total outstanding dues of creditors other than micro and small enterprises			
c. Other current liabilities	8	40,946,582	79,324,238
<b>Total current liabilities</b>		<b>55,154,510</b>	<b>108,418,536</b>
	<b>Total</b>	<b>840,438,095</b>	<b>998,703,212</b>
<b>II Assets</b>			
<b>1 Non-current assets</b>			
a. Tangible assets	9	540,643,536	229,468,760
b. Capital work-in-Progress		34,714,447	165,593,147
c. Non-current investments	10	10,000	10,000
d. Long-term loans and advances	11	29,863,695	47,275,876
<b>Total non-current assets</b>		<b>605,231,678</b>	<b>442,347,783</b>
<b>2 Current Assets</b>			
a. Current investment	12	-	342,946,381
b. Inventories	13	3,395,612	1,786,705
c. Trade receivables	14	119,964,426	76,221,894
d. Cash and bank balances	15	88,061,400	119,607,732
e. Short-term loans and advances	11	13,705,654	5,918,365
f. Other current assets	16	10,079,325	9,874,352
<b>Total current assets</b>		<b>235,206,417</b>	<b>556,355,429</b>
	<b>Total</b>	<b>840,438,095</b>	<b>998,703,212</b>


The accompanying notes form an integral part of these financial statements.

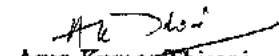
This is the Balance Sheet referred to in our report of even date.

  
For Walker Chandok & Co. LLP  
Chartered Accountants  
  
per Sanjay Kumar Jain  
Partner

For and on behalf of the Boards of Directors of  
**Gati Kausar India Limited**

  
Manish Agarwal  
Whole-time Director  
DIN: 06573302

  
Mahendra Agarwal  
Managing Director  
DIN: 00179779

  
**Arun Kumar Thirani**  
Chief Financial Officer and Company Secretary

Place: Hyderabad  
Date: 2 May 2017

Place: Hyderabad  
Date: 2 May 2017

**Gati Kausar India Limited**

Statement of Profit and Loss for the year ended 31 March 2017

(All amounts in ₹ unless otherwise stated)

	Notes	For the year ended 31 March	
		2017	2016
Revenue from operations		420,247,372	457,537,302
Other income	17	20,367,648	36,779,356
<b>I Total Revenue</b>		<b>440,615,020</b>	<b>494,316,658</b>
<b>Expenses</b>			
Operating expenses	18	370,127,854	376,981,309
Employee benefits expense	19	47,255,386	38,349,603
Finance costs	20	41,387,756	37,159,925
Depreciation	9	62,068,955	49,834,542
Other expenses	21	23,968,294	31,949,299
<b>II Total Expenses</b>		<b>544,808,245</b>	<b>534,274,678</b>
<b>III Loss before tax</b>		<b>(104,193,225)</b>	<b>(39,958,020)</b>
Tax expense		-	-
<b>IV Loss for the year</b>		<b>(104,193,225)</b>	<b>(39,958,020)</b>
<b>V Earnings per equity share [EPES]</b>			
Basic and diluted	30	(16)	(6.15)
Nominal value per equity share		10	10

The accompanying notes form an integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

*Walker Chandok & Co. LLP*  
 For Walker Chandok & Co. LLP  
 Chartered Accountants

For and on behalf of the Boards of Directors of  
 Gati Kausar India Limited

*Sanjay Kumar Jain*  
 per Sanjay Kumar Jain  
 Partner

*Manish Agarwal*  
 Manish Agarwal  
 Whole-time Director  
 DIN: 06573302

*Mahendra Agarwal*  
 Mahendra Agarwal  
 Managing Director  
 DIN: 00179779

*Arun Kumar Thirani*  
 Arun Kumar Thirani  
 Chief Financial Officer and Company Secretary

Place: Hyderabad  
 Date: 2 May 2017

Place: Hyderabad  
 Date: 2 May 2017

**Gati Kausar India Limited****Cash Flow Statement for the year ended 31 March 2017**

(All amounts in ₹ unless otherwise stated)

	For the year ended 31 March	
	2017	2016
<b>Cash flow from operating activities</b>		
Loss before tax	(104,193,225)	(39,958,020)
<b>Adjustments:</b>		
Depreciation	62,068,955	49,834,542
Interest expense	36,597,207	31,799,433
Gain on sale of fixed assets	(913,906)	(12,395,000)
Provision towards doubtful receivables and advances	7,124,168	10,799,305
Provision/(reversal) for employee benefits	567,794	(56,034)
Dividend income	(3,689,019)	(3,347,675)
Interest income	(13,449,961)	(20,977,763)
<b>Operating (loss)/profit before working capital changes</b>	<b>(15,887,987)</b>	<b>15,698,788</b>
Increase in trade receivables	(50,266,700)	(18,428,371)
(Increase)/decrease in inventories	(1,608,907)	2,916,902
(Increase)/decrease in other current assets	(1,181,500)	(1,734,348)
(Increase)/decrease in long-term loans and advances	(2,600,233)	(4,531,500)
Increase in short-term loans and advances	(8,387,289)	(740,143)
Increase/(decrease) in other current liabilities	(1,214,221)	6,895,184
Decrease in trade payables	(2,375,411)	(349,113)
<b>Cash used in operations</b>	<b>(83,522,248)</b>	<b>(272,601)</b>
Income taxes, paid	(6,203,779)	(7,961,105)
<b>Net cash used in operating activities (I)</b>	<b>(89,726,027)</b>	<b>(8,233,706)</b>
<b>Cash flow from investing activities</b>		
Purchase of tangible assets including capital work-in-progress	(224,566,614)	(178,031,137)
Interest received	16,102,002	26,638,212
Proceeds from sale of fixed assets	2,420,000	13,400,270
Investment in liquid mutual funds	-	(470,103,295)
Redemption of liquid mutual funds	342,946,381	152,465,879
Dividend income received	3,689,018	3,347,675
Redemption of fixed deposits	29,989,479	177,755,239
<b>Net cash generated from/(used in) investing activities (II)</b>	<b>170,580,266</b>	<b>(274,527,157)</b>

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**Gati Kausar India Limited**  
**Cash Flow Statement for the year ended 31 March 2017**

(All amounts in ₹ unless otherwise stated)

	For the year ended 31 March	
	2017	2016
<b>Cash flow from financing activities</b>		
Proceeds from long-term borrowings	14,478,125	350,000,000
Repayment of long-term borrowings	(47,644,634)	(55,548,565)
Proceeds from/(repayment) of short-term borrowings, net	(12,510,959)	19,439,710
Interest paid	(36,733,624)	(31,341,664)
<b>Net cash generated from/(used in) financing activities (III)</b>	<b>(82,411,092)</b>	<b>282,549,481</b>
<b>Net decrease in cash and cash equivalents (I + II + III)</b>	<b>(1,556,853)</b>	<b>(211,382)</b>
Cash and cash equivalents at the beginning of the year	2,065,438	2,276,820
<b>Cash and cash equivalents at the end of the year (refer note 1)</b>	<b>508,585</b>	<b>2,065,438</b>

**Note 1:**

Cash and bank balances as per note 15	88,061,400	119,607,732
Less: Other bank balances	87,552,815	117,542,294
<b>Cash and cash equivalents considered for the purpose of cash flow</b>	<b>508,585</b>	<b>2,065,438</b>

This is the Cash Flow Statement referred to in our report of even date.

*Walker Chandni & Co LLP*  
For Walker Chandniok & Co LLP  
Chartered Accountants

*Sanjay Kumar Jain*  
per Sanjay Kumar Jain  
Partner

For and on behalf of the Board of Directors of  
Gati Kausar India Limited

*Manish Agarwal*  
Manish Agarwal  
Whole-time Director  
DIN: 06573302

*Mahendra Agarwal*  
Mahendra Agarwal  
Managing Director  
DIN: 00179779

*Arun Thirani*  
Arun Thirani  
Chief Financial Officer and Company Secretary

Place: Hyderabad  
Date: 2 May 2017

Place: Hyderabad  
Date: 2 May 2017

## **Gati Kausar India Limited**

### **Summary of significant accounting policies and other explanatory information**

(All amounts in ₹, unless otherwise stated)

#### **1. Company overview**

Gati Kausar India Limited ("the Company") is a limited liability company incorporated in 1984 under the provisions of the Companies Act, 1956. The Company is a subsidiary of Gati Limited and is primarily engaged in provision of Cold chain related logistic services.

#### **2. Summary of significant accounting policies**

##### **a) Basis of preparation of financial statements**

The financial statements are prepared under historical cost convention on an accrual basis in accordance with the generally accepted accounting principles in India ("Indian GAAP") and comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), and with the relevant provisions of the Act, pronouncements of The Institute of Chartered Accountants of India (ICAI). The accounting policies applied by the Company are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of business, the Company has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities.

##### **b) Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include provisions for doubtful receivables, future obligations under employee retirement benefit plans, the useful lives of fixed assets and classification of assets and liabilities into current and non-current.

Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

##### **c) Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of purchase price, freight, non refundable duties, taxes and any other cost attributable to bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready for its intended use. Assets retired from active use and held for disposal are stated at their estimated net realisable values or net book values, whichever is lower.

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**Gati Kausar India Limited**  
**Summary of significant accounting policies and other explanatory information**  
(All amounts in ₹, unless otherwise stated)

**d) Depreciation**

Depreciation on fixed assets is provided pro-rata to the period of use, on the straight-line method, at the rates specified in Schedule II to the Act. Depreciation on sold/discarded fixed assets is provided for up to the date of sale /discarded as the case may be.

**e) Impairment of assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**f) Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

**g) Revenue recognition**

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

***Sale of services***

Income from transportation, storage and handling activities are accrued on completion of the service.

***Interest income***

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rates applicable.

***Dividend income***

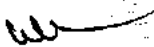
Dividend from investment in shares and in liquid mutual funds is recognized when the right to receive the payment is established.

**h) Cash and cash equivalents**

In the cash flow statement, cash and cash equivalents includes cash on hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

**i) Inventories**

Stores and spare parts are valued at cost, calculated on weighted average basis. Cost includes purchase price including duties and taxes, freight inwards and other expenditure incurred in bringing such inventories to their present location and condition.



**Gati Kausar India Limited**  
**Summary of significant accounting policies and other explanatory information**  
(All amounts in ₹, unless otherwise stated)

**j) Employee benefits**

*Provident fund*

The Company contributes to the provident fund maintained by the Regional Provident Fund Commissioner, in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which services are rendered by the eligible employees. There are no other obligations of the Company other than the contributions made to the funds.

*Employee state insurance*

The Company contributes to the Employees State Insurance Fund maintained by the state authorities, in accordance with Employees State Insurance Act, 1948. The plan is a defined contribution plan and contribution paid or payable is recognized as an expense on accrual basis. There are no other obligations of the Company other than the contributions made to the funds.

*Gratuity*

Gratuity is a post-employment defined benefit plan. An independent actuary, using the projected unit credit method calculates the defined benefit obligation annually. Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are credited or charged to the statement of profit and loss in the period in which such gains or losses arises.

*Compensated absences*

The Company also provides benefit of compensated absences under which un-availed leaves are allowed to be accumulated to be availed in future. The scheme is considered as a long term benefit. The compensated absences comprises of vesting as well as non vesting benefit and the liability is determined in accordance with the rules of the Company and is based on actuarial valuations made by an independent actuary using the projected unit method at the balance sheet date.

**k) Borrowing cost**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

Debenture issue costs and the premium on redemption of debentures are adjusted against the available Securities Premium Account in accordance with the provisions of section 52 of the Companies Act, 2013. All other borrowing costs are charged to Statement of Profit and Loss over the tenure of the borrowing.

**l) Taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

**Gati Kausar India Limited**

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹, unless otherwise stated)

In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Unrecognized deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain or virtually certain, as the case may be that future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

**m) Earnings per equity share**

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

**n) Segment reporting**

Segments are identified in line with AS-17 'Segment Reporting', taking into consideration the internal organization and management structure as well as different risk and returns of the segment.

**o) Leases**

Leases where the lessor effectively retains all risk and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the period of lease.

**p) Foreign currency transactions**

*Initial recognition*

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and foreign currency at the date of the transaction.

*Conversion*

Foreign currency monetary items are reported at year-end rates. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction.

*Exchange differences*

Exchange differences arising on the settlement of all other short-term foreign currency monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements. These could be recognized as income or expenses in the year in which they arise.

**Gati Kausar India Limited**

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹, unless otherwise stated)

**q) Cash flow statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**r) Provisions and contingent liabilities**

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

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**Gati Kausar India Limited****Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**3 Share capital**

	31 March 2017		31 March 2016	
	Number	Amount	Number	Amount
<b>Authorized share capital</b>				
Equity shares of ₹ 10 each	7,500,000	75,000,000	7,500,000	7,500,000
Preference Shares of ₹ 10 each	1,000,000	10,000,000	1,000,000	10,000,000
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹ 10 each	6,525,658	65,256,580	6,525,658	65,256,580
2% Compulsorily Convertible Cumulative Preference Shares ("CCCPS") of ₹ 10 each	932,237	9,322,370	932,237	9,322,370
	<b>7,457,895</b>	<b>74,578,950</b>	<b>7,457,895</b>	<b>74,578,950</b>

**(a) Reconciliation of shares**

	31 March 2017		31 March 2016	
	Number	Amount	Number	Amount
<b>Equity shares of ₹10 each</b>				
Balance at the beginning and end of the year	6,525,658	65,256,580	6,525,658	65,256,580
<b>CCCPS of ₹10 each</b>				
Balance at the beginning and end of the year	932,237	9,322,370	932,237	9,322,370

**(b) Terms and rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, in proportion of their shareholding.

**(c) Terms and rights attached to CCCPS**

The Company has only one class of CCCPS having a par value of ₹10 per share and having a right to receive 2% cumulative dividend on the face value. Holders of CCCPS can opt to convert its shares into equity shares at a price determined using a pre-determined formula at any time on happening of any event specified in the Share Subscription and Shareholder's Agreement.

**(d) Details of shares held by holding company**

	31 March 2017		31 March 2016	
	Number	Amount	Number	Amount
<b>Equity shares of ₹10 each</b>				
Gati Limited	5,212,526	52,125,260	5,212,526	52,125,260

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**Gati Kausar India Limited**

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**(c) Shareholders holding more than five percent shares in the Company**

	31 March 2017		31 March 2016	
	Number	%	Number	%
<b>Equity share of ₹10 each</b>				
Gati Limited	5,212,526	79.88%	5,212,526	79.88%
Mandala Capital AG Limited	1,305,132	20.00%	1,305,132	20.00%
<b>CCCPS of ₹10 each</b>				
Mandala Capital AG Limited	932,237	100%	932,237	100%

**4 Reserves and surplus**

	31 March 2017	31 March 2016
<b>Securities premium account</b>		
Balance at the beginning of the year	367,168,931	389,284,131
Less: Provision for Premium payable on redemption of Debentures	49,436,330	22,115,200
Balance at the end of the year	<b>317,732,601</b>	<b>367,168,931</b>
<b>Deficit in the statement of profit and loss</b>		
Balance at the beginning of the year	(208,809,029)	(168,851,009)
Add: loss for the year	(104,193,224)	(39,958,021)
Balance at the end of the year	<b>(313,002,253)</b>	<b>(208,809,029)</b>
	<b>4,730,348</b>	<b>158,359,902</b>

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**Gati Kausar India Limited****Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**5. Long-term borrowings**

		31 March 2017	31 March 2016
<b>Secured</b>			
<b>Debentures</b>			
590 (31 March 2016: 590) non-convertible debentures of Rs.1,000,000 each	(a)	590,000,000	590,000,000
Vehicle loans from Banks		51,362,107	84,528,616
	(b)	51,362,107	84,528,616
<b>Total long-term borrowings</b>	(a+b)	641,362,107	674,528,616
Less: Current maturities of long-term borrowings (note 8)		15,078,254	46,869,103
		<b>626,283,853</b>	<b>627,659,513</b>

**(a) Details of non-convertible debentures**

The Company has issued 590 (31 March 2016: 590) secured, rated, redeemable, transferable, non-convertible debentures (NCDs) of face Value of Rs. 1,000,000 each fully paid up to Mandala Agribusiness Investments II Ltd. The Company has allotted 350 NCDs on 29 February 2016; 180 NCDs on 01 January 2015 and 60 NCDs on 09 October 2014.

The NCDs are secured by way of first charge on all the assets of the Company other than exempted assets (as defined in the bond subscription agreement) and second charge on the exempted assets. Further, Gati Limited has pledged 2,562,826 (31 March 2016: 2,562,826) equity shares of ₹10 each held in the Company.

The NCDs have coupon rate of 5.65% per annum (31 March 2016: 5.65%) payable on a quarterly basis. The NCDs are redeemable at a premium at the end of five years from the date of issue. The redemption premium is 8% per annum and shall (if not voluntarily paid annually) be compounded annually up to the date of redemption.

The Company has option to extend the term of a portion of NCDs by a period of two years subject to certain conditions laid out in the bond subscription agreement. Also, under certain circumstances, the Company has an option to redeem the NCDs at any time after expiry of one year from the date of issue.

**(b) Details of secured vehicle loans***Security and details*

Loans availed from banks are fully secured by way of hypothecation of specific vehicles against which loan is availed. These loans carry interest in the range of 9.41% to 12% (31 March 2016: 10.50% to 12.00) per annum.

*Terms of repayment*

	31 March 2017	31 March 2016
with-in 1 year	15,078,254	46,869,103
1 to 3 years	36,283,853	25,305,716
3 years and above	-	12,353,797
<b>Total</b>	<b>51,362,107</b>	<b>84,528,616</b>



**Gati Kausar India Limited****Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**6 Long-term provisions**

	31 March 2017	31 March 2016
Provision for employee benefits		
- for gratuity	1,850,000	1,390,012
- for leave encashment	450,000	342,194
	<u>2,300,000</u>	<u>1,732,206</u>

**7 Short-term borrowings**

	31 March 2017	31 March 2016
From banks (secured cash credit facility)		
	7,407,538	19,918,497
	<u>7,407,538</u>	<u>19,918,497</u>

Secured by hypothecation of specific vehicles of the Company and charge on the current assets along with the corporate guarantee extended by Gati Limited. The loan is repayable on demand and carries an interest rate of 10.77% (31 March 2016: 12%) per annum.

**8 Other current Liabilities**

	31 March 2017	31 March 2016
Current maturities of long-term borrowings	15,078,254	46,869,103
Interest accrued but not due	321,352	457,769
Statutory dues	1,733,137	1,867,048
Due to related parties	118,269	1,798,068
Creditors for capital expenditure	15,214,997	20,451,166
Due to employees	5,747,311	4,926,081
Liabilities for expenses	2,733,262	2,955,003
	<u>40,946,582</u>	<u>79,324,238</u>

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**Gati Kausar India Limited**

**Summary of significant accounting policies and other explanatory information**  
(All amounts in ₹ unless otherwise stated)

**9 Tangible assets**

	Land	Building	Plant & Machinery	Fleet	Office equipment	Furniture and fixtures	Vehicles	Computers	Total
<b>Gross block</b>									
As at 31 March 2015	-	-	-	546,030,574	2,651,311	564,968	2,467,877	2,255,139	553,969,869
Additions	-	-	-	2,472,407	33,015	2,101,969	-	1,184,376	5,791,767
Disposals*	-	-	-	71,957,573	-	-	-	-	71,957,573
As at 31 March 2016	-	-	-	476,545,408	2,684,326	2,666,937	2,467,877	3,439,515	487,804,063
Additions	33,963,900	196,810,051	128,253,816	-	1,712,668	13,430,161	-	2,430,477	376,601,073
Disposals*	-	-	-	57,892,649	-	-	1,663,780	-	59,556,429
As at 31 March 2017	33,963,900	196,810,051	128,253,816	418,652,759	4,396,994	16,097,098	804,097	5,869,992	804,848,707
<b>Accumulated depreciation</b>									
Upto 31 March 2015	-	-	-	277,033,918	1,092,941	151,559	189,474	985,172	279,453,064
Depreciation charge	-	-	-	48,205,745	357,770	256,995	306,552	707,480	49,834,542
Reversal on disposals*	-	-	-	70,952,303	-	-	-	-	70,952,303
Upto 31 March 2016	-	-	-	254,287,360	1,450,711	408,554	496,026	1,692,652	258,335,303
Depreciation	-	4,830,177	4,033,358	50,337,864	595,076	1,013,689	137,923	1,120,868	62,068,955
Reversal on disposals*	-	-	-	55,813,162	-	-	385,925	-	56,199,087
Upto 31 March 2017	-	4,830,177	4,033,358	248,812,062	2,045,787	1,422,243	248,024	2,813,520	264,205,171
<b>Net block</b>									
Upto 31 March 2016	-	-	-	222,258,048	1,233,615	2,258,383	1,971,851	1,746,863	229,468,760
Upto 31 March 2017	33,963,900	191,979,874	124,220,458	169,840,697	2,351,207	14,674,855	556,073	3,056,472	540,643,536

\*Comprises of gross block to the extent of ₹32,176,975 (31 March 2016: ₹17,079,277) and accumulated depreciation to the extent of ₹31,109,081 (2016: ₹ 16,074,007), reclassified to assets held for sale.

**Gati Kausar India Limited****Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**10 Non-current investments**

	<u>31 March 2017</u>	<u>31 March 2016</u>
<b>In equity shares (Non-trade, quoted, valued at cost)</b>		
1,000 (31 March 2016: 1,000) equity shares of ₹10/- each fully paid up in State Bank of India	10,000	10,000
<b>Aggregate amount of quoted investments</b>	<b>10,000</b>	<b>10,000</b>
<b>Market value of quoted investments</b>	<b>292,600</b>	<b>194,300</b>

**11 Loans and Advances**

	<u>31 March 2017</u>	<u>31 March 2016</u>
<b>Long-term</b>		
(Unsecured, considered good)		
Security deposits	9,071,793	6,471,560
Capital advances	5,255,608	31,471,801
Advance tax, net	15,536,294	9,332,515
	<b>29,863,695</b>	<b>47,275,876</b>
<b>Short-term</b>		
(Unsecured, considered good)		
Advances for purchases and expenses	9,427,557	5,645,184
Security deposit	4,000,000	-
Other advances	278,097	273,181
	<b>(a) 13,705,654</b>	<b>5,918,365</b>
(Unsecured, considered doubtful)		
Advances for purchases and expenses	3,987,581	3,387,581
Less: Provision for doubtful advances	<b>(3,987,581)</b>	<b>(3,387,581)</b>
	<b>(b) -</b>	<b>-</b>
	<b>(a+b) 13,705,654</b>	<b>5,918,365</b>

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**Gati Kausar India Limited**

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**12 Current investments**

	31 March 2017	31 March 2016
<b>Other current investments (Non-trade, unquoted, valued at cost)</b>		
Nil (31 March 2016: 1,236,820) units in ICICI Prudential Liquid Mutual Fund	-	130,770,416
Nil (31 March 2016: 100,458) units in Franklin India Treasury Management Account- Super Institutional Plan	-	100,530,254
Nil (31 March 2016: 1,104,213) units in Birla Sun Life-Cash Plus-Daily Dividend Regular Plan- Reinvestment	-	110,636,645
Nil (31 March 2016: 10,071) units in Birla Sun Life-Cash Plus-Daily Dividend Direct Plan- Reinvestment	-	1,009,066
	-	<b>342,946,381</b>

**13 Inventories**

	31 March 2017	31 March 2016
Stores and spares (at cost)	3,395,612	1,786,705
	<b>3,395,612</b>	<b>1,786,705</b>

**14 Trade receivables**

	31 March 2017	31 March 2016
Due for a period exceeding six months		
Unsecured, considered good	6,778,584	4,285,856
Unsecured, considered doubtful	15,387,569	9,876,444
Less: Provision for doubtful receivables	(15,387,569)	(9,876,444)
	6,778,584	4,285,856
Other debts (Unsecured, considered good)	113,185,842	71,936,038
	<b>119,964,426</b>	<b>76,221,894</b>

**15 Cash and bank balances**

	31 March 2017	31 March 2016
<b>Cash and cash equivalents</b>		
Balances with banks		
- on current accounts	470,109	1,952,730
Cash on hand	38,476	112,708
	508,585	2,065,438
<b>Other bank balances</b>		
Deposits with maturity more than 3 months but less than 12 months	87,552,815	117,542,294
	<b>88,061,400</b>	<b>119,607,732</b>

**16 Other current assets**

	31 March 2017	31 March 2016
Interest earned but not due on fixed deposits	584,596	3,236,637
Prepaid expenses	2,763,644	5,312,341
Assets held for sale	1,675,514	1,005,270
Others	5,055,571	320,104
	<b>10,079,325</b>	<b>9,874,352</b>

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**Gati Kausar India Limited****Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

	31 March 2017	31 March 2016
<b>17 Other income</b>		
Interest income	13,449,961	20,977,763
Dividend income	3,689,019	3,347,675
Gain on sale of fixed assets	913,906	12,395,000
Other non-operating income	1,354,044	-
Miscellaneous income	960,718	58,918
	<b>20,367,648</b>	<b>36,779,356</b>
<b>18 Operating expenses</b>		
Vehicle running expenses	293,109,336	311,925,567
Tyres and tubes	14,289,799	11,678,925
Vehicle hire charges	-	6,556,024
Power and fuel	4,966,058	-
Security Charges	482,381	-
Labour charges	1,168,689	-
Rent	4,519,313	-
Stores and spares	39,062,239	35,105,054
Other expenses	12,530,039	11,715,739
	<b>370,127,854</b>	<b>376,981,309</b>
<b>19 Employee benefit expense</b>		
	31 March 2017	31 March 2016
Salaries and wages	43,071,626	35,589,485
Gratuity	352,531	-
Contribution to provident and other funds	1,595,379	1,538,358
Staff welfare expenses	2,235,850	1,221,760
	<b>47,255,386</b>	<b>38,349,603</b>

**(a) Defined contribution plan**

During the year ended 31 March 2017, the Company has contributed ₹1,417,009 (31 March 2016: ₹1,258,459) towards provident fund and ₹178,370 (31 March 2016: ₹279,899) towards Employees' State Insurance.

**(b) Defined benefit plan**

The Company has an unfunded defined plan, viz. gratuity for its employees. Every employee who has completed five years or more of services gets a gratuity on departure at 15 days salary (last drawn monthly basic salary) for each completed year of service subject to a limit prescribed under the Gratuity Act, 1972.

The assumptions used in accounting for gratuity plan are set out as below:

	31 March 2017	31 March 2016
Retirement age	58 years	58 years
Salary escalation rate	8%	7%
Attrition rate	7%	7%
Discount rate	8%	8%

**Gati Kausar India Limited****Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**22. Related party disclosures****(a) Names of the related parties and nature of relationship**

<u>Names of related</u>	<u>Nature of relationship</u>
Gati Limited	Holding Company
Mandala Agribusiness Investments II Ltd	Entity having significant influence
Gati-Kintetsu Express Private Limited	Fellow subsidiary
Manish Agarwal	Key Managerial Personnel
P.D. Agarwal Foundation	Entites in which a director has control or has significant influence
Solaflex Solar Energy Private Limited	Entites in which a director has control or has significant influence

**(b) Transactions with related parties**

	<u>31 March 2017</u>	<u>31 March 2016</u>
<b>Gati Limited</b>		
Management fee	816,775	992,079
Freight forwarding charges	-	1,865,628
<b>Mandala Agribusiness Investments II Ltd</b>		
Issue of Non-Convertible Debentures	-	350,000,000
Interest expense	33,335,000	15,347,729
Premium on redemption of debentures	49,436,330	22,115,200
Commitment charges	4,575,000	6,273,611
<b>P.D. Agarwal Foundation</b>		
Purchase of land	32,000,000	-
<b>Solaflex Solar Energy Private Limited</b>		
Security deposits	5,000,000	-
Interest on deposit	201,945	-
<b>Gati-Kintetsu Express Private Limited</b>		
Revenue from services	1,359,140	1,475,252
<b>Manish Agarwal</b>		
Remuneration paid	3,369,385	2,728,324
Rent	1,359,204	1,339,826

**(c) Balances receivable /(payable)**

	<u>31 March 2017</u>	<u>31 March 2016</u>
Gati Limited	-	(1,196,071)
Mandala Agribusiness Investments II Ltd	(667,508,704)	(618,556,102)
Solaflex Solar Energy Private Limited	5,201,945	-
Gati-Kintetsu Express Private Limited	330,711	146,975

**Note:** Gati Limited, has extended corporate guarantee and pledged certain share of its holding in the Company in connection with the loans availed by the Company. Refer note 5 and note 7.

**Gati Kausar India Limited**

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**23. Value of imports on CIF basis**

	<u>31 March 2017</u>	<u>31 March 2016</u>
Capital goods	197,260	18,874,637
	<u>197,260</u>	<u>18,874,637</u>

**24. Expenditure in foreign currency on accrual basis**

	<u>31 March 2017</u>	<u>31 March 2016</u>
Travelling expenses	547,284	264,540
	<u>547,284</u>	<u>264,540</u>

**25. Contingent liabilities and commitments**

	<u>31 March 2017</u>	<u>31 March 2016</u>
<b>Contingent liabilities</b>		
Arrears of dividend on CCCPS	466,119	279,671
<b>Commitments</b>		
a. Capital commitments	32,486,093	78,279,356

b. The Company's obligation towards payment of lease rentals (excluding service taxes) over the remaining non-cancellable term of lease agreements is as follows:

	<u>31 March 2017</u>	<u>31 March 2016</u>
Not later than one year	11,046,620	8,100,000
one year to five years	49,359,546	34,830,000
More than five years	214,998,525	107,394,191
	<u>275,404,691</u>	<u>150,324,191</u>

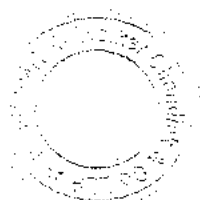
c. The company has entered into a long term power purchase agreement with Solaflex Solar Energy Private Limited. The company shall purchase power at ₹.5.80 per unit with an escalation clause of 1.95% per annum for the next 20 years.

**26 Disclosure on Specified Bank Notes(SBNs)**

During the year, the company had specified notes or other denomination note as defined in the MCA notification G.S.R.308(E) dated 31 March,2017 on the details of specified Bank Notes(SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	other denomination		Total
	SBNs*	notes	
Closing cash in hand as on 8th November 2016	11,500	37,671	49,171
(+) Permitted receipts	-	148,500	148,500
(-) Permitted Payments	-	(176,965)	(176,965)
(-) Amount deposited in Banks	(11,500)	-	(11,500)
Closing cash in hand as on 30 December 2016	-	9,206	9,206

\*For the purpose of this clause, the term 'specified Bank Note' shall have the same meaning provided in the notification of the Government of India, the Ministry of Finance, Department of Economics Affairs number S.O.3407(E),dated the 8th November 2016



**Gati Kausar India Limited**

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**27. Segment reporting**

The Company operates in a single reportable segment i.e. 'Cold chain related logistics' which includes providing transportation, cold storage and consignment agency facilities and has been considered a single reportable segment. Further, all services are rendered only in India. Hence, no separate disclosures have been provided for segment reporting.

28. Based on information available with the Company, as at 31 March 2017, there are no suppliers who are registered as micro and small enterprises under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.

**29. Expenditure incurred during construction period, pending capitalisation**

	<u>31 March 2017</u>	<u>31 March 2016</u>
<b>Capital work-in-progress</b>		
Rent	3,859,433	5,435,771
Travelling and conveyance	55,136	3,032,382
Legal and professional charges	5,210,701	1,171,500
Interest expense	1,487,359	1,043,179
Salaries and wages	2,310,712	6,271,662
Others	4,842,157	593,536
<b>Closing balance</b>	<u>17,765,498</u>	<u>17,548,030</u>

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**Gati Kausar India Limited**

**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

**30. Earnings per equity share [EPES]**

	<u>31 March 2017</u>	<u>31 March 2016</u>
<b>a) Computation of loss for the year</b>		
Loss for the year	(104,193,225)	(39,958,020)
Less: Dividend on CCCPS (including dividend distribution tax)	186,447	186,447
<b>Loss attributable to equity shareholders</b>	<u>(104,379,672)</u>	<u>(40,144,467)</u>

**b) Computation of weighted average number of equity shares in computation of basic and diluted earnings per equity share**

	<u>31 March 2017</u>	<u>31 March 2016</u>
Weighted average number of shares considered for computation of basic EPES	6,525,658	6,525,658
Add: Effect of potential dilutive shares*	-	-
<b>Weighted average number of shares considered for computation of diluted EPES</b>	<u>6,525,658</u>	<u>6,525,658</u>

\*In view of losses incurred during the year, potential equity shares are anti-dilutive in nature.

**c) Earnings per equity share [EPES]**

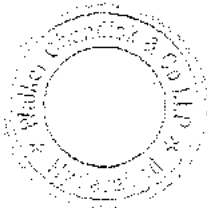
Basic EPES	(16)	(6.15)
Diluted EPES	<u>(16)</u>	<u>(6.15)</u>

**31. Additional information as required under paragraph 5 of the part II of the Schedule III to the Act to the extent either 'Nil' or 'Not Applicable' has not been furnished.**

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

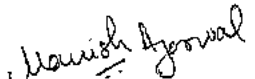
  
For Walker Chandok & Co LLP  
Chartered Accountants


  
per Sanjay Kumar Jain  
Partner

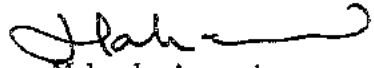


Place: Hyderabad  
Date: 2 May 2017

For and on behalf of the Board of Directors of  
**Gati Kausar India Limited**

  
**Manish Agarwal**  
Whole-time Director  
DIN: 06573302

  
**Arun Thirani**  
Chief Financial Officer and Company Secretary

  
**Mahendra Agarwal**  
Director  
DIN: 00179779

Place: Hyderabad  
Date: 2 May 2017