



PROGRESSING TOWARDS DELIVERING
1,000,000 PACKAGES EVERY DAY



A N N U A L R E P O R T 2 0 1 5 - 2 0 1 6

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Disclaimer

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include input cost and other factors relating to the Company's operations.

Board of Directors



K L Chugh
Chairman



Mahendra Agarwal
Founder & CEO



N Srinivasan
Director



P Sudhakar Reddy
Director



Sunil Alagh
Director



P N Shukla
Director



Yoshinobu Mitsuhashi
Director



Sheela Bhide
Director



Sanjeev Jain
Director - Finance

Founder & CEO's Review

The company has set itself an ambitious 2020 target of delivering one million packages everyday, while ensuring zero delays and zero damages

FY1516 was a year of significant opportunities as well as challenges for the logistics industry. The B2B Express Distribution business remained subdued with single digit volume growth, and also, there was significant pricing pressure on account of sustained drop in fuel prices that followed the diesel price deregulation in the base year. At the same time, the B2C sector offered tremendous growth opportunities for the industry. Amidst these challenges and opportunities, there was significant increase in the competitive intensity with a number of new logistics players emerging in both B2C and B2B sectors.

In such circumstances, your company has done well by negotiating many challenges, and grabbing the available opportunities, thereby emerging stronger as we enter the next fiscal.

Highlights of FY2016:

- ◆ Consolidated group revenue grew 1% over previous year. This performance was against significant headwinds from diesel price decline which impacted our overall yields.
- ◆ Continued growth in Gati e-Commerce business. Combined e-Commerce and e-Fulfillment Centre revenue grew to ₹ 225 Cr. compared to ₹ 130 Cr. in FY2015.
- ◆ PBT improved quarter-on-quarter through a focussed Value Improvement Programme, that delivered savings in General & Administrative costs and improved Operating expenses through better capacity utilisation within our network.
- ◆ Gati Kausar is all set to commission its first Cold Store in early FY16-17 which will make it an end-to-end solution provider in cold chain logistics sector, offering both cold storage and refrigerated transportation.

Based on the results and in view of our healthy balance sheet, your board of directors recommended to pay out 50% dividend.

While remaining focussed on delivering the in-year results, your company has simultaneously worked towards building the capabilities for the future. The company has set itself an ambitious 2020 target of delivering "one million packages everyday, while ensuring zero delays and zero damages". This can only happen with appropriate investments in new age Technology, further supported by requisite changes in Network Infrastructure and People. In parallel, the Go-to-Market approach is being refreshed and strengthened to remain ahead of competition.

Over the years, Gati has always maintained its technology edge over competition using its proprietary Enterprise Management System (GEMS) that allows full operational control and visibility, from dispatch to delivery, and from invoicing to receivables collection. Last year, Gati has embarked on a journey to adopt the next level automation in the package handling process. 100% Bar Code scanning of each and every package has been introduced across the network as part of the Shop Floor Automation project (SFA). This automation initiative will ensure better accuracy, visibility and control over packages, thereby improving our service quality significantly.

Gati has always engaged customers with a firm belief that we are not just a service provider to its customers, but that Gati is a business partner to the customer, and thus, the customer's business is our business. Through the last few months, Gati has consolidated its various product lines into a 'One Gati' organizational framework so that our field teams in sales and operations engage customers with integrated end-to-end solutions using our various product lines, rather than provide individual product services. This Go-to-Market approach of serving the customers' need in entirety rather than in parts is beginning to show its impact, and the results will be visible in the immediate future.

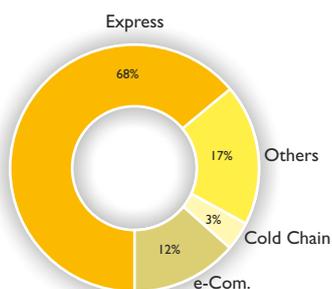
In summary, we have an exciting future ahead. The actions taken internally within the company and the improving macro-economic situation in the country, further buoyed by recent policy initiatives and the regulatory changes being pursued by the government, including the much anticipated introduction of GST framework in the this financial year, all point towards a great year in the new fiscal 2016-17. The future holds immense opportunities and we are fully geared, to deliver on our commitments to various stakeholders.



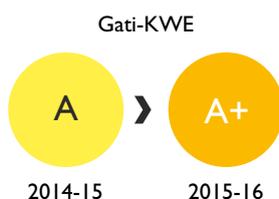
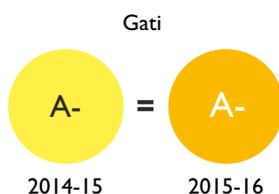
Mahendra Agarwal
Founder & CEO

Key Performance Indicators (Consolidated)

Revenue Break-up



Credit Rating



Total Income (₹ in Million)

FY16	     16818
FY15	     16627
FY14 (9M)	   11272
FY13	    12895

Current Ratio

FY16	     1.29
FY15	    1.23
FY14 (9M)	     1.32
FY13	     1.34

EBIDTA (%)

FY16	     09
FY15	     09
FY14 (9M)	    08
FY13	    08

Interest Coverage

FY16	     2.53
FY15	     2.88
FY14 (9M)	    2.24
FY13	   1.69

EBIT (%)

FY16	    06
FY15	     07
FY14 (9M)	     07
FY13	    06

ROCE (%)

FY16	    15
FY15	     18
FY14 (9M)	  08
FY13	  08

Earning Per Share (₹)

FY16	    4.20
FY15	     4.70
FY14 (9M)	   2.70
FY13	 1.10

Turnover on Cap Employed

FY16	     2.33
FY15	     2.49
FY14 (9M)	   1.20
FY13	   1.35

Awards & Accolades - FY1516



Founder and CEO received Most inspiring entrepreneur of the year award by NITIE



Digital Icon of the year by CIO power list, Core-Media Group



ELSC supply chain packaging company of the year ELSC Conclave



Indian Powerbrand of the year by Planman Media



Top assessee of service tax from Committee of Commissioners, Hyderabad



Logistics Icon of the year by CIO power list, Core-Media Group

About Us

Board of Directors

- K L Chugh
Chairman
- Mahendra Agarwal
Founder & CEO
- N Srinivasan
Director
- P S Reddy
Director
- Sunil Alagh
Director
- P N Shukla
Director
- Yoshinobu Mitsuhashi
Director
- Sheela Bhide
Director
- Sanjeev Jain
Director - Finance

Board Committees

- Audit**
- N Srinivasan - Chairman
- P S Reddy - Member
- P N Shukla - Member

Nomination & Remuneration

- P S Reddy - Chairman
- K L Chugh - Member
- P N Shukla - Member

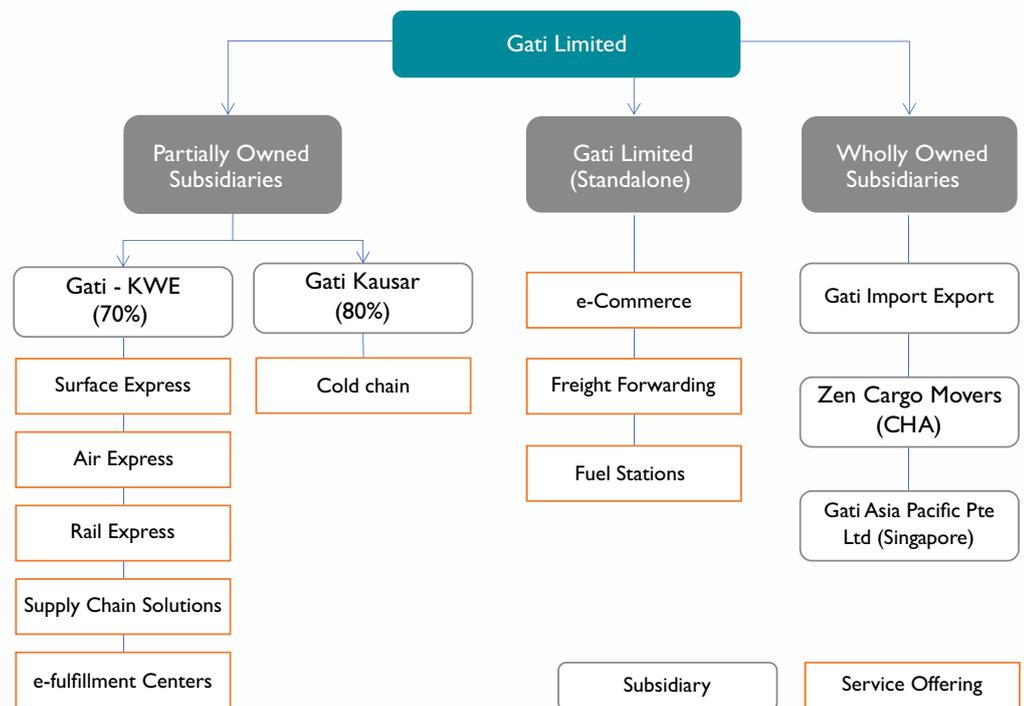
Stakeholders Relationship

- Sunil Alagh - Chairman
- Mahendra Agarwal - Member

Corporate Social Responsibility

- Sheela Bhide - Chairperson
- P S Reddy - Member
- Sanjeev Jain - Member

Group Structure



People

6000 + Work force
4000 + Business Partners



Reach

140208 Delivery locations
99% districts in India

Presence



Network

608+ Offices
e-Fulfillment Centers
at strategic locations
5 million+ sqft warehousing space



Fleet Strength

5000 + Express Fleets
220 Reefer Trucks
2400 Last mile e-Com.
delivery fleet strength

Key Managerial Personnel

Mahendra Agarwal
Founder & CEO

Sanjeev Jain
Director - Finance

Bala Aghoramurthy
President & Whole Time Director
Gati-Kintetsu Express Pvt. Ltd.

VSN Raju
Company Secretary, Chief Investor
Relations & Compliance Officer
(resigned w.e.f. April 28, 2016)

Statutory Auditors
M/s R S Agarwala & Co.
Chartered Accountants

Bankers
State Bank of India
HDFC Bank Limited
ICICI Bank Limited
AXIS Bank Limited
DCB Bank Limited
Syndicate Bank
The South Indian Bank Limited
The Karur Vysya Bank Limited

Regd. & Corp. Office
Plot No. 20, Sy. No. 12
Kothaguda, Kondapur
Hyderabad - 500 084
Tel: 040 -7120 4284
Fax: 040 - 2311 2318
Email: investor.services@gati.com
Website: www.gati.com
CIN: L63011TG1995PLC020121

Registrar & Transfer Agents
Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower B
Plot 31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad – 500 032
Tel: 040 4465 5000 - 152
Fax: 040 4465 5024
Email: mohsin.mohd@karvy.com
Website: www.karvy.com

Business Segment - Express Distribution



To retain the leadership in Express Distribution Business, Gati-KWE will continue to enhance its on-time delivery assurance

The Express distribution and supply chain management business of the group is managed by Gati-Kintetsu Express Private Limited (Gati-KWE) a joint venture company between Gati Ltd and Kintetsu World Express - Japan's leading logistics provider. Gati-KWE's multi modal transportation service, unmatched reach, wide route network, well-built infrastructure and strong technology ensures that every customer gets an integrated, seamless and cost effective solution right from planning, transportation, routing till delivery.

Key Strategies

To retain the leadership in Express Distribution Business, Gati-KWE will continue to enhance its on-time delivery assurance. We will achieve this goal by increasing network, enhancing delivery mechanisms and by adoption of technology. To provide integrated supply chain solutions and improve supply chain efficiencies of our clients, Gati-KWE will partner with clients to identify cost - benefit opportunities that drive value for their business. We achieve this by addressing critical operational constraints, freeing up working capital, improving the flow of information, reforming business processes and implementing shop floor automation & system driven poka-yoke techniques to deliver sustainable competitive advantage.



Business Segment - Gati e-Commerce



e-Commerce logistics services, is the fastest growing business vertical for Gati

Between FY2011-12 and FY15-16 this segment maintained a CAGR of more than 60%. In FY 15-16 the peak daily delivery capacity have increased to 72,000 packages per day. Last mile delivery fleet which is a mix of bikers, drivers and e-com franchises has grown to 2,400. Currently, e-Commerce network extends to about 20,000 pin codes. Towards developing an end-to-end capability in the B2C space, the company has established consolidation centre (One Ship Model) and e-Commerce packaging services. Additionally, the Company has fully-functioning e-FCs at key metropolitan areas with best in class Warehouse

Management System that are equipped to handle supply chain management for multiple e-Commerce companies.





Gati is in a unique position to partner with clients to identify cost benefit opportunities that drive value into their business and achieves this by driving synergy from its varied business units

Gati's supply chain solution offers an integrated supply chain service to businesses across industry verticals. The company is equipped to handle customised as well as complex end-to-end integrated logistics solutions. Gati is in a unique position to partner with clients to identify cost benefit opportunities that drive value into their business and achieves this by driving synergy from varied business units. Our analysis and subsequent solution is presented after addressing critical operational constraints, freeing up working capital, improving the flow of information and reforming business processes in order to deliver sustainable competitive advantage for our clients. Gati offers following services under this vertical.

3PL & Contract Logistics Services:

We combine multi modal logistics and supply chain services and customize them to meet specific needs of the customer, and manage the integrated solution supported by our platform. The capabilities range from automotive spares management for vehicle on road (VOR) solutions, retail supply and demand management for on-shelf availability to enhance the customer buying experience across the full order to cash cycle. We encompass services across the Buy, Make, Move, Store and Sell functions of supply chain management.

e-Fulfilment Centres:

One of the earliest to spot the opportunity, our solution covers the entire gamut of operations linking Distribution, both from vendors to FCs and FCs to end consumer, to Fulfilment centre related activities. Within the ambit of Fulfilment centre, we provide services including but not limited to site identification, designing appropriate Warehouse Layout, installing ideal racking solutions and finally managing both information and product flow. We went ahead of the curve on technology by investing in user friendly and world class OMS & WMS package, Sterling Commerce by IBM. This gives us the distinct advantage of not just dealing with well established e-Commerce companies but also small vendors.

Upstream SCM services:

We offer upstream supply chain services like procurement management and order management to seamlessly engage with logistics. Under this, our Import / Export Trading Wing enable integration for international & domestic suppliers to the primary, secondary & tertiary sales channels. We act as an international / domestic buyer or domestic seller. This supports multi-brand retailers, new / regional companies aspiring to penetrate Indian market and organizations that have an outsourcing need.

Business Segment - Gati Kausar

Our goal is to become the leading supply chain solutions company for perishables by offering integrated state of art cold transportation and storage facilities

Gati Kausar is one of the most recognised refrigerated transportation service provider in India with expertise that spans over 29 years in the business.

Gati Kausar's innovative cold-chain transportation solutions, strengthened by cutting edge equipment, technology and expertise, ensures that the perishable products are delivered in a fresh, healthy and potent status to retailers and end consumers. Gati Kausar has modern fleet of 187 refrigerated vehicles with advanced climate control systems.

This enables us to offer customised temperature sensitive services to varied clientele, from processed foods to pharmaceuticals and from retail to agricultural food products.

Our goal is to become the leading supply chain solutions company for perishables by offering integrated state of art cold transportation and storage facilities for processed food, agricultural products , pharmaceuticals and other temperature sensitive products.

We are developing a GST-ready network of modern multi-temperature palletised cold store warehouses across India to offer integrated cold chain solutions to our customers. The first such warehouse is soon to be operational.





Our key initiatives have been providing assistance in constructing schools, helping natural disaster victims in sustaining their occupation and supporting the cause of green environment.

Corporate Social Responsibility is an integral part of Gati's business model and we are committed to fulfilling our responsibilities as a member of the society. We as a group continue to contribute towards the field of education, livelihood environment and disaster management during natural calamities. Our key initiatives have been providing assistance in constructing schools, helping natural disaster victims in sustaining their occupation and supporting the cause of green environment. Gati also contributes in various ways for maintaining the environmental sustainability.

Gati's CSR Vision:

We envision a community of responsible and educated citizens who are environmentally conscious, practice social responsibility in

their daily lives and inspire others to do the same.

We commit to operating in an economically, socially and environmentally responsible manner whilst balancing the interests of diverse stakeholders.

Gati Muskaan - Key Areas of Intervention

Education: Adoption of Govt Schools which encompass infrastructure development, providing tools for enhanced learning, aiding in providing a hygienic learning environment along with a focus on activities that foster overall physical and mental wellbeing.

Community: Gati organises multiple welfare events to reach out to those less privileged in the community. The organisation strongly believes in creating awareness about healthcare and enabling sustainability within the community we live in.

Environment: Gati believes that the environment be used in a way that is sustainable. The company ensures that the use of natural resources will meet the present day needs for the resource without jeopardizing the supply of the resource for future generations.

Rural Development Projects & Donations: Rural development is a dynamic process and Gati's contributions include putting up of economic and social infrastructure, public health, education and functional literacy, communication etc.

Natural Disaster Management: Over the years Gati has built its capability and infrastructure to reach the remotest corners of India. The company leverages this to aid any region that has experienced a natural calamity by providing logistics support in collaboration with organisations that are conducting relief operations in the affected region.

Our **SOCIAL** Responsibility

Amount of Group Support for Community Services

9.13 (₹ in Million) 2014-15	13.28 (₹ in Million) 2015-16
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Gati Muskaan Key Social Impacts



9304 Students



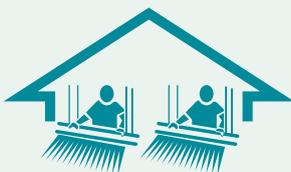
19 Govt Schools



25 Orphanages



100 Livelihoods



Rajoli Weavers Shed



Chennai Floods Relief

Our **ENVIRONMENTAL** Responsibility

Ecological Preservation



Tree Plantation



Wildlife Adoption

IGBC LEED Green Certified (Gold) Corporate Office



GPS tracking of Gati Fleet enables saving fuel by better managing time and route



69.60 tonnes of waste paper recycled





Gati - Muskaan : Key initiatives

Apr 2015

- Swachh Bharat Abhiyan at Ambala
- Associate Sponsor to the CII – UNICEF event at Hyderabad
- RO & UV water purifier installed at Gati Government High School (GGHS), Hyderabad

May 2015

- Swachh Bharat Abhiyan at Noida EDC
- Solid waste paper given to ITC WOW project
- Computers donation to Boruka Charitable Trust (BCT)
- Greenpeace Awareness Drive
- Logistics support to Oxfam

Jun 2015

- Swachh Bharat Abhiyan at Udaipur
- Nepal Earthquake Relief & Rehabilitation update

July 2015

- Notebook Donation Drive
- Tree Plantation Drive
- Computer Donation to Govt. Schools
- PARFI GATI-KWE Logistics Gurukul inaugurated

Aug 2015

- RO Water Filtration unit inauguration at GGHS, Hyderabad

- MoU for adoption of Government School at Miyapur
- Independence Day Celebrations
- Tree Plantation Drive at Chennai EDC
- Eye Checkup for Drivers & Handlers at Hyderabad EDC
- Visit to villages in Telangana & AP for adoption

Sep 2015

- Blood Donation Drive at Kolkata
- Tree Plantation Drive at Hyderabad
- Swachh Bharat Abhiyan at Guwahati, Lucknow & Jamshedpur
- World Heart Day - Health Awareness Campaign
- PCRA National Painting & Essay Competition in Govt. Schools
- Computer Donation to Schools

Oct 2015

- DAAN UTSAV initiative across India
- Logistics support for Clothes Donation Drive
- Mahindra scholarships to the kids of Gati drivers
- Swachh Bharat Abhiyan at Kolkata, Chennai & Coimbatore.

Nov 2015

- Children's Day celebrations across India
- Donation to Tagore Society for Rural Development (TSRD)
- Adopted Zilla Parishad High School, Hyderabad

Dec 2015

- World AIDS Day awareness
- Blood Donation Drive

Jan 2016

- Adoption of Tiger in Nehru Zoological Zoo, Hyderabad
- Republic Day celebrations in government schools across India

Feb 2016

- Swachh Bharat Abhiyan at the State Central Library, Hyderabad
- National Science Day Celebrations at GGHS, Hyderabad

Mar 2016

- Computers Donation to a government school in Allahabad
- Donation Agreement signing with Miracle Foundation India
- Donation to Chaithanya Mahila Mandali, Hyderabad
- Sports award distribution to students of Zilla Parishad High School, Hyderabad



Notice

Notice is hereby given that the 21st Annual General Meeting (AGM) of the members of Gati Limited (the Company) will be held on Thursday, August 4, 2016, at 10:00 a.m., at Hotel Radisson Blu Plaza, 8-2-409, Road No. 6, Banjara Hills, Hyderabad - 500 034 to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt:
 - (a) the Audited financial statements of the Company for the financial year ended March 31, 2016, the Reports of the Board of Directors and Auditors thereon; and
 - (b) the Audited Consolidated financial statements of the Company for the financial year ended March 31, 2016.
2. To declare Dividend on equity shares for the financial year ended March 31, 2016.
3. To appoint a Director in place of Mr. Yoshinobu Mitsuhashi (DIN: 03121427), who retires by rotation and being eligible offers himself for re-appointment.
4. To ratify the re-appointment of M/s. R S Agarwala & Co, Chartered Accountants (Firm Registration No. 304045E) as approved by Members at the 19th Annual General Meeting as Statutory Auditors of the company, to hold office until the conclusion of 22nd Annual General Meeting, and to fix their remuneration for the financial year ending March 31, 2017.

Special Business:

5. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution**

“RESOLVED THAT pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Board of Directors be and is hereby authorized to appoint Branch Auditors for any branch office of the Company for the Financial Year 2016-17, whether existing or which may be opened / acquired hereafter, outside India, in consultation with the Company’s Auditors, any person(s) qualified to act as Branch Auditors within the provisions of Section 143(8) of the Act and to fix their remuneration.”

6. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT in accordance with the provisions of Sections 196, 203 read with Part I of Schedule V and all other applicable provisions, if any of the Companies Act, 2013 read with rules made thereunder, including any statutory modification or re-enactment thereof and subject to such consents and approvals as may be necessary, the company hereby approves the re-appointment of Mr. Mahendra Agarwal as Managing Director of the Company, designated as “Founder and CEO” for a period of five years with effect from 1st August, 2016 in such manner as may be agreed to between the Board and Mr. Mahendra Agarwal.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writing as may be required to give effect to this resolution.”

7. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) and enabling provisions of the Articles of Association of the company and subject to such approvals, consents, sanctions and permissions as may be necessary in this regard, consent of the members of the company be and is hereby accorded to the Board of Directors of the company (hereinafter referred to as the “Board” which expression shall also include a committee constituted by the Board or any person (s) authorized by the Board to exercise the power conferred on the Board by this resolution) to (a) give any loan to any person or other body corporate (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, securities of any other body corporate which is higher of 60% of the aggregate of the paid-up share capital and free reserves and securities premium account; or 100% of its free reserves and securities premium account, upto an aggregate amount not exceeding ₹ 500 Crores, on such terms and conditions, as the Board may think fit.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of the company be and is hereby authorized to take from time to time all decisions and such step as may be necessary for giving loans, guarantee or providing securities or for making such investments and to execute such documents, deeds, writings, papers, and/or agreements as may be required and do all such acts, deeds, matter and things as it may in its absolute discretion, deem fit, necessary or appropriate.”

8. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder and regulation 23 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended from time to time, consent of the members be and is hereby accorded for the appointment of Mr. Dhruv Agarwal (relative of Mr. Mahendra Agarwal, Managing Director of the Company), to the place of profit being the office of the Chief Strategy Officer in the Company’s subsidiary, Gati-Kintetsu Express Private Limited (GKEPL) on the terms as set out in the Explanatory Statement under Item No. 8 to this Notice.”

“RESOLVED FURTHER THAT the consent of the members be and is hereby accorded to the Board of Directors of the Company / GKEPL to finalize and decide the revisions in the remuneration payable to Mr. Dhruv Agarwal from time to time in accordance with the Company’s policy on performance measurement and such other applicable/relevant policies and to perform and execute all such acts, deeds, matters and things (including delegating such authority), as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto.”

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder and regulation 23 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended from time to time, consent of the members be and is hereby accorded for the appointment of Mr. Manish Agarwal (relative of Mr. Mahendra Agarwal, Managing Director of the Company), to the place of profit being the office of the Whole-Time Director in the Company’s subsidiary, Gati Kausar India Limited (Gati Kausar) on the terms as set out in the Explanatory Statement under Item No. 9 to this Notice.”

“RESOLVED FURTHER THAT the consent of the members be and is hereby accorded to the Board of Directors of the Company / Gati Kausar to finalize and decide the revisions in the remuneration payable to Mr. Manish Agarwal from time to time in accordance with the Company’s policy on performance measurement and such other applicable/relevant policies and to perform and execute all such acts, deeds, matters and things (including delegating such authority), as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto.”

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 August 2, 2016, 10 a.m. IST). A proxy Form is annexed to this Report. Proxies submitted on behalf of Companies, Societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. 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.
4. 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.
5. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means (e-voting). Instructions and

other information relating to e-voting are given in this Notice under Note No. 21. The Company will also send communication relating to e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members, separately.

6. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
7. Additional information, pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment / re-appointment at the Meeting is furnished as annexure to the Notice.
8. The Register of Members and Share Transfer Books of the Company will remain closed from July 28, 2016 to August 4, 2016 (both days inclusive).
9. The members who have not surrendered their old share certificates (Issued by the then M/s. Transport Corporation of India Limited, now known as M/s. TCI Industries Ltd., the transferor Company, under the Scheme of Arrangement) are requested to surrender their old share certificates to M/s. TCI Industries Limited, M/s. Mukesh Textile Mills Private Limited, N.A. Sawant Marg, Colaba, Mumbai – 400 005 to obtain their new share certificates of four companies including this Company.
10. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act 2013, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013 and the certificate from Auditors of the Company certifying that the Gati Employee Stock Option Scheme (ESOS) are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014, will be available for inspection by the members at the meeting.
11. a) The members who are holding shares in physical form are requested to intimate any change in their address with pin code immediately either to the Company or to M/s. Karvy Computershare Private Limited, Registrar & Share Transfer Agent (Karvy).
b) The members who are holding shares in demat form are requested to intimate any change in their address with pin code immediately to their Depository Participants.
12. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) & Bank Account details by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN & Bank Account details to the Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form are required to submit their PAN & Bank Account details to M/s. Karvy/ Investor Service Department of the Company.
13. Non-Resident Indian Members are requested to inform M/s. Karvy, immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India, if not furnished earlier.

14. Dividend on equity shares as recommended by the Board of Directors for the financial year ended March 31, 2016, if approved at the meeting, will be paid within the stipulated time:
- To those members whose names appear on the Company's register of members, after giving effect to all valid share transfers in physical form lodged with M/s. Karvy, Registrar and Share Transfer Agent of the Company on or before July 28, 2016.
 - In respect of shares held in electronic form, to those whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on July 28, 2016.
15. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificate to M/s. Karvy for doing the needful.
16. Pursuant to the provisions of the Companies Act, 1956/2013, the Company has transferred the unpaid or unclaimed dividends for the period of seven years i.e. upto financial years 2007-08, to the Investor Education and Protection Fund (IEPF) established by the Central Government. Shareholders who have not encashed their dividend warrant(s) so far for the financial year ended June 30, 2009 or any subsequent financial years are requested to make their claim to the office of the M/s. Karvy, Registrar and Share Transfer Agents. It may be noted that once the unclaimed dividend is transferred, on the expiry of seven years, to the IEPF, as stated here-in, no claim shall lie in respect thereof.
17. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email address either with the Company or with the Depository Participant(s). Members who have not registered their email address with the Company can now register the same by submitting a duly filled-in 'Shareholder Registration Form' available on the website of the Company www.gati.com to M/s. Karvy or Investor Service Department of the Company. Members holding shares in demat form are requested to register their email address with their Depository Participant(s) only. Members of the Company who have registered their email address are also entitled to receive such communication in physical form, upon request.
18. The Notice of the Meeting, Annual Report along with Attendance Slip and proxy form etc. are being sent in electronic mode to Members whose email address is registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of the Meeting, Annual Report along with Attendance Slip and proxy form etc. are being sent to those Members who have not registered their email address with the Company or Depository Participant(s). Members who have received the Notice of the Meeting, Annual Report along with Attendance Slip and proxy form etc. in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the Meeting.
19. A Route Map showing direction to reach the venue of 21st Annual General Meeting is given in the Annual Report as per the requirement of the Secretarial Standard – 2 on General Meeting.
- 20. VOTING THROUGH ELECTRONIC MEANS**
- In Compliance with provisions of Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide facility to the members to exercise their right to vote at the 21st AGM by electronic means and the business shall be transacted through e-voting services provided by M/s Karvy Computershare Private Limited (Karvy).
 - The e-voting facility will be available during the following period:
Commencement of e-voting: From 9.00 a.m. (IST) on Saturday, July 30, 2016
End of e-voting: Up to 5.00 p.m. (IST) on Wednesday, August 3, 2016
 - The e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by M/s. Karvy upon expiry of aforesaid period.
 - The company has appointed M/s. dvmgopal & associates, Practicing Company Secretaries, Hyderabad, as Scrutinizer for conducting the e-voting process and voting process at the meeting (including voting through Ballot Form) in a fair and transparent manner.
 - Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. Thursday, July 28, 2016. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, only shall be entitled to vote.
 - The login ID and password for e-voting is being sent to the members who have not registered their e-mail IDs with the Company / their respective Depository Participants along with physical copy of the Notice. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting by e-mail.
 - The facility for voting through ballot / polling paper shall be made available at the Meeting, to all the members attending the Meeting, who have not opted evoting facility. Further, the members who have opted evoting facility may also attend the Meeting but shall not be entitled vote again. Kindly note that members can opt for only one form of voting i.e. either by Ballot Forms or through e-voting. If members are opting for e-voting then they should not vote by Ballot Forms and vice-versa.

However, in case members casting their vote both by e-voting and Ballot Forms, then voting done through e-voting shall prevail and voting done by Physical Ballot shall be treated as invalid.
 - Any person who become members of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. Thursday, July 28, 2016, may obtain the User ID and password for e-voting by sending email intimating DP ID and Client ID / Folio No. at evoting@karvy.com with a copy to investor.services@gati.com.

However, if you are already registered with M/s. Karvy for e-voting, you can use your existing User ID and password for casting your vote.

- i) The Chairman shall, at the meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the help of scrutinizer, by use of 'Ballot Paper' for all those members, who are present at the meeting, but have not cast their vote by availing e-voting facility.
- j) The Scrutinizer, after scrutinising the votes cast at the meeting (Poll) and through e-voting, will, within stipulated time, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company i.e. www.gati.com and on the website of M/s. Karvy i.e. www.karvy.com. The results shall simultaneously be communicated to the Stock Exchanges.
- k) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. Thursday, August 4, 2016.

21. Instructions and other information relating to e-voting:

The instructions for e-voting are as under:

- i) Open your web browser during the voting period and navigate to <https://evoting.karvy.com>.
- ii) Enter the login credentials (i.e. user-id & password). Your folio / DP ID - Client ID will be your User ID.

User ID	For Members holding shares in demat form: a) For NSDL: 8-character DP ID followed by 8-digit Client ID b) For CDSL: 16-digit beneficiary ID For Members holding shares in physical form: Event number, followed by Folio Number registered with the Company
Password	Your unique password is printed on the form / forwarded via email through the electronic notice
Captcha	Enter the verification code i.e. please enter the alphabets and numbers in the exact way as they are displayed for security reasons

- iii) After entering these details appropriately, click on 'LOGIN'.
- iv) Members holding shares in demat / physical form will now reach password change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through M/s. Karvy e-voting platform. System will prompt you to change your password and update

any contact details like mobile number, email ID etc., on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- v) You need to login again with the new credentials.
- vi) On successful login, the system will prompt to select the 'Event' i.e. 'Company Name'.
- vii) If you are holding shares in demat form and had logged on to <https://evoting.karvy.com> and cast your vote earlier for any company, then your existing login id and password are to be used.
- viii) On the voting page, you will see Resolution description and against the same the option 'FOR / AGAINST / ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR / AGAINST / ABSTAIN' or alternatively, you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR / AGAINST' taken together should not exceed your total shareholding. If you do not want to cast your vote, select 'ABSTAIN'.
- ix) After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly, modify your vote.
- x) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xi) Corporate / Institutional Members (Corporate / FIs / FII's / Trusts / Mutual Funds / Banks, etc.) are required to send scan (PDF format) of the relevant Board resolution to the Scrutiniser through e-mail to dvmgopal@gmail.com with copy to evoting@karvy.com. The file scanned image of the Board resolution should be in the naming format 'Corporate Name_ Event number'.
- xii) If you are already registered with M/s. Karvy for e-voting, then you can use your existing user ID and password for casting your vote. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- xiii) Please contact M/s. Karvy toll-free number 1-800-34-54-001 for any further clarifications.
- xiv) In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of the e-voting website of M/s. Karvy <https://evoting.karvy.com>.

PROFILE OF DIRECTORS (SEEKING RE-APPOINTMENT)

Name of the Director	Mr. Mahendra Agarwal	Mr. Yoshinobu Mitsuhashi
Brief Resume & Expertise in specific functional areas	<p>Mr. Mahendra Agarwal, 62 years, is the promoter, Founder and CEO of Company. Mr. Agarwal holds a bachelor's degree in engineering from Bangalore University, and a Master's in Business Administration from University of Austin, Texas (USA). He established Gati in 1989 with an aim to redefine the logistics industry. Mr. Agarwal is the driving force behind Gati's journey to its leadership position. Under his visionary leadership, Gati has evolved into a major ILSP (Integrated Logistics Service Provider).</p> <p>Mr. Agarwal is an avid speaker and has been invited to many symposia and forums like the Global Logistics Summit 2006 held at the Indian School of Business, Hyderabad and the Logistics 2005 conference. He was also invited by IIM (Ahmedabad) to interact with the students.</p> <p>A leader, thinker and philosopher, Mr. Agarwal is an institution by himself. Apart from being on the Board of several Indian companies, Mr. Agarwal is also the founder member of Supply Chain & Logistics Group (SCLG) India (in addition to being a member of the international board of advisors for SCLG Global), member of CII Southern Region Council, member of CII Institute of Logistics Advisory Council, FICCI's Civil Aviation Committee & FICCI's Logistics Forum.</p>	<p>Mr. Yoshinobu Mitsuhashi, 61 years is a nominee director of Kintetsu World Express (S) Pte Limited. Mr. Mitsuhashi graduated from Keio University, Faculty of Law and Department of Political Science. He joined Kintetsu World Express Inc. in 1979 and after serving in various positions, became the Managing Director of Kintetsu Integrated Air Services Sdn Bhd. Presently, he is the Director and General Manager of South East Asia Region of Kintetsu World Express Inc.</p>
Details of shares held in the Company as on 31.03.2016	38,34,188	Nil
Listed Companies in which Directorships held as on 31.03.2016	TCI Finance Ltd., TCI Industries Ltd., Gati Kausar India Ltd.	Nil
Chairman / Member of the Committees of Listed Companies in which he is a Director as on 31.03.2016	Member of Nomination & Remuneration committee of TCI Finance Ltd.	Nil
Relationship with other Directors	Not related to any Director	Not related to any Director

By order of the Board of Directors
for **Gati Limited**

Hyderabad
April 27, 2016

Sanjeev Jain
Director-Finance
DIN: 05325926

Registered & Corporate Office:

Plot No.20, Survey No.12, Kothaguda, Kondapur, Hyderabad-500 084
Tel: +91 040-7120 4284, Fax: +91 040-2311 2318
CIN: L63011TG1995PLC020121
Website: www.gati.com, Email: investor.services@gati.com

Explanatory Statement to the Notice of the Annual General Meeting, as per Section 102(1) of the Companies Act, 2013.

Item No.5

The Company has branch outside India and may also open / acquire new branches outside India in future. It may be necessary to appoint branch auditors for carrying out the audit of the accounts of such branches. The Members are requested to authorize the Board of Directors of the Company to appoint branch auditors in consultation with the Company's Auditors and fix their remuneration.

None of the Directors or Key Managerial Person (KMP) or relatives of Directors and KMP, are in any way concerned with or interested, financially or otherwise, in the resolution at item no. 5 of the accompanying notice.

The Board recommends the Resolutions at Item No. 5 to be passed as an ordinary resolution.

Item No. 6

The Board of Directors, subject to approval of the Shareholders appointed Mr. Mahendra Agarwal as Managing Director of the Company, designated as "Founder & CEO" for a period of five (5) years from August 1, 2016 under Section 196 of the Companies Act, 2013.

Further, Mr. Mahendra Agarwal is also the Managing Director of GKEPL, Subsidiary Company designated as "Executive Chairman" and prefer to draw remuneration from GKEPL only.

The approval of the members is sought by way of a Special Resolution for the re-appointment of Mr. Mahendra Agarwal as Managing Director of the Company, designated as "Founder & CEO" with effect from August 1, 2016 for a period of five (5) years.

Mr. Mahendra Agarwal & his relatives are interested in this item of Business to the extent of their shareholding. Except this none of the Directors or KMP or their relatives of Directors and KMP, are in any way concerned with or interested financially or otherwise in the resolution at item no. 6 of the accompanying notice.

The Board recommends the resolution at item no.6 to be passed as special resolution.

Item No. 7

Members may note that pursuant to Section 186 of the Companies Act, 2013 ("Act"), the Company can give loan or give any guarantee or provide security in connection with a loan to any other body corporate or person and acquire securities of any other body corporate, in excess of 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, with approval of Members by special resolution passed at the general meeting. In view of the aforesaid, it is proposed to take approval under section 186 of the Companies Act, 2013, by way of special resolution, upto a limit of ₹ 500 Crores, as proposed in the Notice.

The investments, loans, guarantees and securities, as the case may be, will be made in accordance with the applicable provisions of the Companies Act, 2013 and relevant rules made there under. These investments are proposed to be made out of own/surplus funds/ internal accruals and or any other sources including borrowings, if necessary, to achieve long term strategic and business objectives.

None of the directors or KMP or relatives of Directors and KMP are in any way concerned with or interested, financially or otherwise in the resolution at item no 7 of the accompanying notice.

The Board recommends the resolution at item no. 7 to be passed as special resolution.

Item No. 8

Pursuant to Section 188(1)(f) of the Companies Act, 2013, the company has already obtained approval from the shareholders at the 19th Annual General Meeting of the Company held on August 5, 2014, for the appointment of relative of a Director in a place of profit in the subsidiary company.

Further, Regulation 23(8) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (notified on 01.12.2015), requires all existing material related party contracts or arrangements entered into prior to the date of notification of these regulations and which may continue beyond such date shall be placed for approval of the shareholders in the first General Meeting subsequent to notification of these regulations.

Accordingly, the approval of the shareholders through special resolution is being sought pursuant to Regulation 23(8) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Name of Related Party	Mr. Dhruv Agarwal
Name of the Director or key managerial personnel who is related	Mr. Mahendra Agarwal, Managing Director
Nature of Relationship	Mr. Dhruv Agarwal is son of Mr. Mahendra Agarwal
Profile	Mr. Dhruv Agarwal is the Chief Strategy Officer, GKEPL. In his role he leads the long term strategy of the Gati Group (Gati) which involves corporate capability development, setting up new lines of services and business, to help Gati to set the benchmarks and be the leader in the Indian Logistics landscape. Since joining Gati in 2012, he has been instrumental in shaping Gati's future vision and strategy. He led the successful closure of Gati's Shipping business as part of the group's strategy to focus on its core - Logistics and Supply Chain Solutions. He championed Gati's entry into ecommerce logistics, fulfillment centre operations and expanded the end to end supply chain solutions capabilities and industry specific expertise. Prior to joining Gati, Mr. Dhruv Agarwal was the founder of SunVolt Energy- a Renewable Energy development company. Sunvolt has implemented one of India's first grid connected MW size solar power plants. He has previously worked as a Project Development Consultant in Capital Fortunes Pvt. Ltd., as a Business Analyst in JP Morgan Chase, USA, as a Summer Consultant in Deloitte Haskins & Sells and as a Project Manager in Illinois Business Consulting USA.

	Mr. Dhruv Agarwal holds a Bachelor degree in Liberal Arts & Science in Economics from the University of Illinois, Urbana-Champaign, USA. He is currently a CII Telangana State Council Member and Leads the Logistics and Industrial Corridor Panel.
Nature, material terms, monetary value and other particulars	Full time employment; Remuneration comprising of fixed component of ₹ 4.56 lakhs per month plus performance bonus subject to revision by the Board of Directors/Committee thereof of the Company/GKEPL in accordance with the applicable company's policies/statutory/regulatory provisions.

Mr. Dhruv Agarwal & his relatives are interested in this item of Business to the extent of their shareholding. Except this none of the Directors or KMP or their relatives of Directors and KMP, are in any way concerned with or interested financially or otherwise in the resolution at item no. 8 of the accompanying notice.

Item No.9

Pursuant to Section 188(1)(f) of the Companies Act, 2013, the company has already obtained approval from the shareholders at the 19th Annual General Meeting of the Company held on August 5, 2014, for the appointment of relative of a Director in a place of profit in the subsidiary company.

Further, Regulation 23(8) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (notified on 01.12.2015), requires all existing material related party contracts or arrangements entered into prior to the date of notification of these regulations and which may continue beyond such date shall be placed for approval of the shareholders in the first General Meeting subsequent to notification of these regulations.

Accordingly, the approval of the shareholders through special resolution is being sought pursuant to Regulation 23(8) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Name of Related Party	Mr. Manish Agarwal
Name of the Director or key managerial personnel who is related	Mr. Mahendra Agarwal, Managing Director
Nature of Relationship	Mr. Manish Agarwal is son of Mr. Mahendra Agarwal
Profile	Mr. Manish Agarwal is the Whole-Time Director, Gati Kausar, Gati's cold chain subsidiary. Mr. Manish Agarwal has been responsible for giving the business direction, creating integrated supply chain capability and enhancing synergy with the rest of Gati's capabilities and products. He has also been responsible for the strategic partnership with Mandala Capital in October 2014. Mr. Manish Agarwal holds 2 bachelor degrees in Computer Science and in Economics from the School of Engineering and the Wharton School

	respectively, at the University of Pennsylvania. He graduated as part of the Jerome Fisher Program in Management in Technology at the University. He has also done a summer program in international relations and public policy at the London School of Economics. Mr. Manish Agarwal is passionate about the food industry and about creating a sustainable and efficient express network for food and pharmaceuticals in India. He is largely responsible for improving the efficiency of operations. He has a hands on person and works closely with the team at large both at office and outside office. He has developed a special rapport with all customers having visited them regularly. He has knowledge about best practices related to the cold chain business and brings in international experience which is relevant for development of this industry in India. As part of Gati's leadership team, he is also involved in other key strategic initiatives of the group, including sales and solution selling.
Nature, material terms, monetary value and other particulars	Full time employment; Remuneration of ₹ 2.45 lakhs per month plus performance bonus subject to revision by the Board of Directors/Committee thereof of the Company/Gati Kausar in accordance with the applicable company's policies/statutory/regulatory provisions.

Mr. Manish Agarwal & his relatives are interested in this item of Business to the extent of their shareholding. Except this none of the Directors or KMP or their relatives of Directors and KMP, are in any way concerned with or interested financially or otherwise in the resolution at item no. 9 of the accompanying notice.

By order of the Board of Directors
for Gati Limited

Hyderabad
April 27, 2016

Sanjeev Jain
Director-Finance
DIN: 05325926

Registered & Corporate Office:

Plot No.20, Survey No.12, Kothaguda, Kondapur, Hyderabad-500 084
Tel: +91 040-7120 4284, Fax: +91 040-2311 2318
CIN: L63011TG1995PLC020121
Website: www.gati.com, Email: investor.services@gati.com

Directors' Report

Dear Members,

Your Directors have great pleasure in presenting the report of the Business and Operations of your Company ('the Company' or 'Gati'), along with the audited financial statements, for the financial year ended March 31, 2016. The Consolidated Performance of your Company and its subsidiaries has been referred to wherever required.

Financial Highlights

(₹ in mn)

Particulars	Consolidated		Standalone	
	2015-16	2014-15	2015-16	2014-15
Total Income	16,818	16,627	4,980	4,546
Profit before Finance Cost, Depreciation & Amortization, Taxation & Exceptional item	1,456	1,538	560	526
Less: Finance cost	425	419	175	139
Depreciation and Amortization Expenses	383	332	162	101
Profit before Tax & Exceptional items	648	787	223	286
Less: Exceptional items	-	29	-	29
Profit before tax	648	758	223	257
Less: Tax expenses	156	192	25	18
Profit before Minority Interest	492	566	--	--
Less: Minority Interest	124	154	--	--
Profit after tax	368	412	198	239

Dividend

Your Directors have recommended dividend of 50% (₹ 1 per share) for the financial year ended March 31, 2016 (previous year 70%, including special interim dividend of 30%).

Review of Operations

During the year under review, at consolidated level, your Company achieved a revenue of ₹ 16,818 mn, EBITDA of ₹ 1,456 mn, PBT of ₹ 648 mn and PAT of ₹ 492 mn as against a revenue of ₹ 16,627 mn, EBITDA of ₹ 1,538 mn, PBT of ₹ 758 mn and PAT of ₹ 566 mn respectively in the previous year.

At standalone level, your Company recorded a revenue of ₹ 4,980 mn, EBITDA of Rs 560 mn, PBT of ₹ 223 mn and PAT of ₹ 198 mn as against a revenue of ₹ 4,546 mn, EBITDA of ₹ 526 mn, PBT of ₹ 257 mn and PAT of ₹ 239 mn in the previous year.

e-Commerce

In line with expectations, the e-Commerce industry has been abuzz with activity through the course of last year. The established e-Commerce companies have made accelerated progress in terms of customer base expansion, product portfolio enhancement and new vendor acquisition. A trend has emerged wherein many new e-Commerce SMEs are mushrooming across large towns and cities in the country. As per recent reports, tier 2 and 3 cities have seen a 30% to 50% rise in e-Commerce transactions.

In such industry context, your company has further evolved its growth strategy by tapping into the emerging e-Commerce SME segment, while also increasing its presence in the lower weight segment of established e-tailers. During the year under review, the e-Commerce division of your company has recorded a revenue of ₹ 2,078 mn as against ₹ 1,274 mn in the previous period. The number of packages handled has grown in excess of 70%, as compared with last year.

Subsidiaries

Gati-Kintetsu Express Pvt Ltd. (GKEPL)

GKEPL offers solutions in Express Distribution – Surface, Rail and Air; Transport Solutions for bulk transportation; Warehousing and end-to-end Supply Chain Solutions across the logistics value chain. In Financial Year 2015-16, your flagship subsidiary, GKEPL contributed 68% to the consolidated business of your Company.

During the year under review, GKEPL recorded a revenue of ₹ 11,416 mn, EBITDA of ₹ 953 mn and PAT of ₹ 440 mn against a revenue of ₹ 11,424 mn, EBITDA of ₹ 1,160 mn and PAT of ₹ 575 mn in the previous year.

The Express Distribution business registered a YoY growth of 2% (appx) in Surface Express and Air Express. The charged weight YoY growth of 6% in Surface Express and 2% in Air Express helped to partially offset the impact of the fuel price drops vis-à-vis the base year, post the diesel price deregulation in September 2014.

The Transport Solutions business performance in Financial Year 2015-16 was severely impacted on account of the loss of the parcel train tender in the west-east corridor. Your company has recently secured two new parcel rail tenders for two crucial lanes in this corridor, and these will help your company to now re-establish its dominance in rail parcel segment.

Your company intensified its focus on the Warehousing business by creating a strong pipeline of customers needing 3PL and Fulfilment services. These efforts have yielded positive results with the SCM division registering a more than 50% growth in Financial Year 15-16.

Gati Kausar India Ltd. (GKIL)

India's cold chain sector forms the backbone of the food processing and food service industry, providing cold storage and refrigerated transportation for a range of businesses including Packaged Foods, Quick Service Restaurants, Pharmaceuticals, Animal Protein, Fresh Fruit and Vegetables. Increasing consumer demand for quality processed food, stringent regulations for food safety and focus on Good Distribution Practices (GDP) in pharmaceuticals, have all helped generate greater need for high-quality cold supply chain solutions. Gati Kausar already has a visible presence in refrigerated transportation and serves many a number of popular brands.

During the year under review, Gati Kausar recorded a revenue of ₹ 494 mn, EBITDA of ₹ 47 mn and Loss of ₹ 40 mn against a revenue of ₹ 462 mn, EBITDA of ₹ 25 mn and Loss of ₹ 48 mn in the previous period.

Going forward, Gati Kausar aims to provide end-to-end cold chain solutions by offering high quality cold storage capability, in addition to refrigerated trucking. A significant first step in this regard is the scheduled commissioning of its first Refrigerated Express Distribution Centers (REDC) in early financial year 16-17. Gati Kausar plans to build a network of REDCs over time to enable itself to compete more effectively in the cold chain business.

Consolidated Financial Statements (CFS)

The Consolidated Financial Statements of your Company for the financial year 2015-16 are prepared in compliance with applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, applicable Accounting Standards and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations"). The consolidated financial statements have been prepared on the basis of audited financial statements of your Company, its subsidiaries, as approved by the respective Board of Directors.

The CFS should therefore be read in conjunction with the directors' report, financial notes, cash flow statements and the individual auditor reports of the subsidiaries.

Pursuant to provisions of section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the Company's subsidiaries is attached to the financial statements of the Company.

Abridged Annual Accounts

Pursuant to the provisions of the first proviso to Section 136(1) of the Act and Rule 10 of Companies (Accounts) Rules, 2014, the abridged annual accounts are being sent to all shareholders whose e-mail id's are not registered with the Company. The full annual report is available on the website of your Company at www.gati.com and available for inspection at the registered office of the Company during working hours. Any member interested in obtaining the full annual report may write to the Company Secretary and the same will be furnished on request.

Air India and Gati Arbitration

In the year 2009, your Company discontinued Freighter Aircraft operations as per the arrangement with National Aviation Company of India Ltd (NACIL) (erstwhile Indian Airlines Ltd.,) and now Air India (AI), due to continuous failure and defaults by NACIL. The Learned Arbitral Tribunal adjudicating on the disputes between your Company and Air India Limited in respect of the discontinued freighter operations of the Company, has passed its Award dated September 17, 2013, whereby, it has inter alia directed Air India Limited to pay an amount of ₹ 26.82 Crs to your Company against which an amount of ₹ 26.59 Crs is included in the Loans and Advances being the difference between the amount of bank guarantee invoked by NACIL and claims acknowledged by the Company. Further, the Learned Tribunal has directed Air India Limited to pay interest @ 18% per annum on the awarded amount.

Air India Limited took up the matter before the Honorable High Court of Delhi by filing an application for setting aside the award, in which the High Court has upheld the Arbitral Tribunal award except the claim for damages of ₹4.97 crores. Both Air India and your Company have filed cross appeals before the division bench of the Honourable High Court of Delhi. The Honourable High Court has directed Air India to deposit ₹ 22.00 crores. Air India has since deposited the amount with the Court pending adjudication of appeals filed by Air India and your company. Appeals are also scheduled for hearing shortly. Pending disposal of the said appeals, the said amount of ₹ 22.00 only crores having been deposited in the court has been made over to your company pursuant to the direction of the division bench of the Honorable High Court of Delhi.

Future Prospects

By all accounts, India stands alone as an island of hope in an otherwise volatile, and uncertain, global economy. Recent policy initiatives and regulatory changes pursued by the government, are aimed at accelerating India's GDP growth to 7.6% and beyond, in the near future. The logistics industry will be a direct beneficiary of this growth momentum. Equally, the ultimate winner within the logistics industry will be one who is able to outpace competition by delivering on the ever increasing demands of service, quality and cost in both B2B and B2C sectors.

As part of its 'Vision 2020' exercise, your company has embarked on an ambitious mission of ramping up its operations towards delivering "a million packages a day, while ensuring zero delays and zero damages." To this end, the company has identified three key pillars of change namely **Technology, People** and **Customer Satisfaction**.

Technology – Your Company has always been a pioneer in the logistics industry when it comes to introducing new technology and adopting global best practices. In the last few months, your company has undertaken an ambitious project to automate its all-India network operations using Barcode Scans on each and every package across the country. Such expansive technology automation is unprecedented in the Express Distribution industry in India,

especially in the context of Gati's scale and network reach. Once this rollout is completed, enroute track-n-trace will improve from today's docket level visibility to 100% visibility at an individual package level, and thereby, operational issues such as shortages, misrouting, etc. will stand significantly reduced. Thus, your company is in the process of adding on a significant new operations capability that will help deliver value to the customers. Furthermore, your company is evaluating new state-of-the-art IT technologies for a de-novo development of an Enterprise Management System, than can handle the varied needs of the B2B and B2C in an integrated manner, both to help improve efficiency and productivity in our operations and also to excel satisfying our customer expectations.

People - Significant changes are being effected in your company to address the talent needs of the future. The leadership has been re-organized along inter-dependent functional chains to drive greater functional excellence and to support an improved performance culture. Talent mix is also being overhauled to infuse further technology capability and build higher-order analytics skills at each operating level.

Customer Satisfaction – In the emerging market context, logistics business is no more restricted to being a provider of distribution or warehouse service, but has expanded in scope to becoming an effective business partner to the customers. Recognizing this change, your company is continuously evolving its approach by placing customer satisfaction at the very centre of the business decision making process. Focus on new product innovations has been ramped up. Integrated solution selling to address end-to-end logistics needs of the customer has been initiated as the new go-to-market approach.

Your Directors are very confident that fact based progress on these three pillars of change will help accelerate your company's growth towards achieving the dream of delivering one million packages a day over the next few years, to our customers satisfaction and to our shareholders delight.

Fixed deposits (FD)

As on March 31, 2016, fixed deposits of your Company stood at ₹ 361.44 mn out of which ₹ 9.94 mn remain unclaimed and there were no overdue deposits as on that date. During the year under review, your Company has accepted deposits to the tune of ₹ 32.83 mn. There was no default in repayment of deposits or payment of interest thereon during the year and there are no deposits which are in non-compliance with the requirements of the Companies Act, 2013. The current fixed deposits carry a rating of "A Minus" issued by Credit Analysis and Research Limited (CARE).

Directors & Key Managerial Personnel (KMP)

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Yoshinobu Mitsuhasi, Director who retires by rotation and being eligible, has offered himself for re-appointment.

The present tenure of Mr. Mahendra Agarwal, Founder & CEO is completion on July 31, 2016. Further your Directors at its meeting held on April 27, 2016 have approved the re-appointment of Mr. Mahendra Agarwal w.e.f August 01, 2016, without remuneration from your company, for a further period of five (5) years, subject to the approval of the shareholders at the ensuing Annual General Meeting.

In compliance with Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, brief resume of all the Directors proposed to be appointed / re-appointed are attached along with the Notice of the ensuing Annual General Meeting.

Mr. VSN Raju, Company Secretary & Compliance Officer resigned w.e.f April 28, 2016 and his resignation was accepted by the Board of Directors. Your directors place on record their sincere appreciation for the valuable contribution made by Mr. VSN Raju during his tenure.

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

Particulars of Employees and related disclosures

The remuneration paid to your Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) for the time being in force). The salient aspects covered in the Nomination and Remuneration Policy have been outlined in the Corporate Governance Report which forms part of this report.

The information required under Section 197 (12) of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure – A**.

Declaration on Independent Directors

Pursuant to sub section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, all the Independent Directors of your Company have given declaration that they have met the criteria of independence as required under the Act and the regulations.

Remuneration Policy:

Your Directors has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management Personnel and their remuneration. The Remuneration Policy forms part of the Corporate Governance Report.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board of Directors has carried out an annual performance evaluation of 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 judgement, 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.

Board Committees

Detailed composition of the mandatory Board committees namely Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, number of meetings held during the year under review and other related details are set out in the Corporate Governance Report which forms a part of this Report.

Particulars of Loans, Guarantees and Investments

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

Corporate Social Responsibility (CSR)

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

The CSR Committee has framed a CSR Policy which forms part of the Annual Report on CSR, annexed as **Annexure – B** to this report.

GKEPL had earmarked a budget of ₹ 12.57 mn (i.e. 2% of average net profits of the previous 3 years) for FY 2015-16 and spent ₹ 12.99 mn during the year towards CSR activities across India.

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 were no materially 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 is not applicable to your Company.

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

Your Directors have on the recommendation of the Audit Committee, adopted a policy to regulate transactions between your Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

Meetings of the Board and Committees

Five Meetings of the Board of Directors were held during the year. For further details on the meetings and the attendance of directors/ members, please refer report on Corporate Governance of this Annual Report.

Vigil Mechanism

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015, 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 at www.gati.com.

Familiarisation Programme for Independent Directors

Pursuant to Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 the Company shall familiarise the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes.

Accordingly, your Company arranged a technical session on January 19, 2016 to familiarize the Independent Directors, the details of which are disclosed on the website of the company at <http://www.gati.com/pdf/Investors/Familiarization-Programmes-for-Independent-Directors-Jan-19-2016.pdf>.

Directors' Responsibility Statement

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

1. That in the preparation of the Accounts for the financial year ended March 31, 2016, the applicable accounting standards and schedule III of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force), have been followed and there is no material departure;
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit and loss of the Company for the financial year ended March 31, 2016;
3. That the proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force) for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the accounts have been prepared on 'going concern' basis, for the financial year ended March 31, 2016;
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.

Extract of Annual Return

The details forming part of the extract of the Annual Return in **Form MGT-9** in accordance with Section 92(3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, is annexed as **Annexure – C**.

Development and Implementation of Risk Management Policy

Your Company has an elaborate risk Management process and has adopted systematic approach to mitigate risk associated with accomplishment of objectives, operations and revenues etc. The details of Risk Management as practiced by your company is provided as part of Management Discussion and Analysis Report which forms part of this Annual Report.

Internal Financial Controls

Your Company has established and maintained a framework of internal financial controls and compliance systems. Based on the same and the work performed by the internal auditors, statutory auditors and external agencies and the reviews performed by Top Management team and the Audit Committee, your Directors are of the opinion that your Company's Internal Financial Controls were adequate and effective during the financial year 2015-16.

Further the statutory auditors of your company has also issued an attestation report on internal control over financial reporting (as defined in section 143 of Companies Act 2013) for the financial year ended March 31, 2016, which forms part to the Statutory Auditors Report.

Transfer of unclaimed dividend

Pursuant to the provisions of Companies Act, 1956/2013, the unclaimed dividend amount pertaining to the financial year 2007-08 was transferred by your Company to the Investor Education and Protection Fund (IEPF) and the unclaimed dividend pertaining to the financial year 2009-10 is due for transfer to IEPF.

Auditors

a) Statutory Auditors

Pursuant to the provisions of section 139 of the Act and the rules framed thereafter, M/s. R S Agarwala and Co., Chartered Accountants, Kolkata were appointed as statutory auditors of the Company from the conclusion of the 19th AGM of the Company held on August 5, 2014 till the conclusion of the 22nd AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

b) Secretarial Audit

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

Further, M/s. dvmgopal & Associates, Practising Company Secretaries, carries out Reconciliation of Share Capital Audit every quarter and the report thereon is submitted to the Stock Exchanges.

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

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

Employees Stock Option Scheme

Details of the shares issued under Employee Stock Option Scheme (ESOS), as also the disclosures, in compliance with Section 62 of the Companies Act, 2013 and Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as on March 31, 2016, is annexed as **Annexure – F** to this Report.

Further the details as aforesaid is available on the website of your company at <http://www.gati.com/wp-content/uploads/2016/06/ESOS-disclosure.pdf>.

Change in Capital Structure and Listing at Stock Exchanges

The equity shares of your Company continue to be listed and traded on the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) During the period under review, 2,45,400 equity shares were allotted

on exercise of the options vested under the Employee Stock Option Scheme and admitted for trading on NSE and BSE. Consequently, the Equity Share Capital of your Company increased from 8,74,77,537 equity shares of Rs 2/- each to 8,77,22,937 equity shares of Rs 2/- each.

Corporate Governance

Your Company is committed to maintain the high standards of corporate governance and adhere to the corporate governance requirements set out by Securities and Exchange Board of India. The Report on corporate governance as stipulated under Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 forms part of the Annual Report and is annexed as **Annexure-G**. The requisite certificate from the Practising Company Secretary confirming compliance with the conditions of corporate governance as stipulated under the aforesaid Regulations is part of this report.

Management Discussion and Analysis (MD&A)

MD&A Report for the financial year under review, as stipulated under Regulation 34 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

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 your Company under any scheme save and except ESOS referred to in this Report.
3. 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.
4. 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.
5. There were no material changes commitments affecting the financial position of your Company between the end of financial year (March 31, 2016) and the date of the report (April 27, 2016).

Acknowledgment

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

For and on behalf of the Board

Place: Hyderabad
Date: April 27, 2016

K L Chugh
Chairman
DIN: 00140124

Annexure – A

Particulars of Employees information as per Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16 are as under:

Non-Executive Directors	Ratio of remuneration of each Director to median remuneration of employees	% increase in Remuneration in the financial year 2015-16
Mr. K L Chugh, Chairman	2.49: 1	1.28
Mr. N Srinivasan, Independent Director	2.37: 1	(1.32)
Mr. P N Shukla, Independent Director	1.92: 1	(7.58)
Mr. P S Reddy, Independent Director	1.92: 1	3.39
Mr. Sunil Alagh, Independent Director	1.48: 1	(14.55)
Ms. Sheela Bhide, Independent Director	1.48: 1	11.90
Mr. Yoshinobu Mitsuhasi, Nominee Director	0.79: 1	-
Executive Directors and KMP		
Mr. Mahendra Agarwal - Founder & CEO*	-	-
Mr. Sanjeev Jain, Director-Finance	36.28: 1	19.80
Mr. VSN Raju, Company Secretary	14.03: 1	8.96

*Mr. Mahendra Agarwal is drawing remuneration from Gati-Kintetsu Express Pvt. Ltd. Subsidiary company.

- ii) The median remuneration is ₹ 0.32 mn and the percentage increase in the median remuneration of employees in the financial year is 12%.
- iii) The number of permanent employees on the rolls of company: 686.

- iv) The explanation on the relationship between average increase in remuneration and company performance.

The Profit before Tax for the financial year ended March 31, 2016 decreased by 13% whereas the increase in median remuneration was 12%. Net revenues of the Company during the financial year of ₹ 4,980 mn were more than previous year of ₹ 4,546 mn. The total employee cost for the Year ended March 31, 2016 was ₹ 333 mn against ₹ 277 mn for the Year March 31, 2015. The total employee cost as a percentage of net revenues was 6.68% (last year 6.10%). Average increase in remuneration is guided by factors like inflation, normal salary increase, industry trend, future growth prospect etc.

- v) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:

The total remuneration of Key Managerial Personnel increased by 16.91% from ₹ 13.62 mn in financial year 2014-15 to ₹ 15.98 mn in financial year 2015-16 whereas the Profit before Tax decreased by 13%.

- vi) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:

The Market Capitalisation of the Company as on March 31, 2016 was ₹9,596.89 mn as compared to ₹18,899.52 mn as on March 31, 2015. The price earnings ratio of the Company was ₹ 25.89 as at March 31, 2016 and was ₹ 45.88 as at March 31, 2015. The closing share price of the Company at BSE Limited on March 31, 2016 being ₹ 109.40 per equity share of face value of ₹ 2/- each has grown more than 10 times since the last rights issue made in the year 2005 (Offer Price was ₹ 54/- per equity share of face value of ₹ 10/- each).

- vii) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year was 9.82% whereas the increase in the managerial remuneration was 14.38%. The average increase every year is an outcome of Company's market competitiveness as against its peer group companies. In keeping with our reward philosophy and benchmarking result, the increases this year reflect the market practice.

- viii) Comparison of each remuneration of the key managerial personnel against the performance of the Company:

Particulars	Mr. Sanjeev Jain, Director-Finance	Mr. VSN Raju, Company Secretary
Remuneration in financial year 2016 (₹ in Mn)	9.47	7.47
Revenue (₹ in Mn)	4980.00	
Remuneration as % of Revenue	0.19	0.15
Profit Before Tax (PBT) (₹ in Mn)	223.26	
Remuneration (as % of PBT)	4.24	3.35

- ix) The key parameters for the variable component of remuneration availed by the directors is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors in accordance with the principles laid down in the Nomination and Remuneration Policy.
- x) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable.
- xi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the company.
- xii) The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

Annexure – B

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2015-16

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	Gati to be a socially responsible corporate by fulfilling its responsibilities as a member of the society and community, thereby creating a positive impact to the stakeholders with a concern towards the environment. The programs include Education, Community, Environment Sustainability and Rural Development Projects & Donations. The CSR Policy of the Company is available on the website of the Company i.e. http://www.gati.com/wp-content/uploads/2015/08/Gati-CSR-Policy.pdf
2. The Composition of the CSR Committee	<ol style="list-style-type: none"> 1. Ms. Sheela Bhide, Chairperson 2. Dr. P S Reddy, Member 3. Mr. Sanjeev Jain, Member
3. Average net profit of the Company for last three financial years	₹ 6.42 mn
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 0.13 mn
5. Details of CSR spent during the financial year 2015-16:	An amount of ₹ 0.29 mn was spent towards construction of Gati Multipurpose Community Center (GMCC) at Rudraprayag, Uttarakhand
a. Total amount to be spent for the financial year 2015-16	
b. Amount unspent, if any	Nil

C. Manner in which the amount spent during the financial year is detailed below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity Identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or Programs wise	Amount spent on the projects or Programs Subheads: (1) Direct expenditure on projects or Programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1	Community Development	Relief Operation & Donations	Rudraprayag, Uttarakhand	₹ 10.00 mn	₹ 0.29 mn	₹ 1.51 mn	Direct

RESPONSIBILITY STATEMENT

The Responsibility Statement of the CSR Committee of the Board of Directors of the Company, is reproduced below:

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.'

Place: Hyderabad
Date: April 27, 2016

Mahendra Agarwal
Founder & CEO
DIN: 00179779

Sheela Bhide
Chairperson, CSR Committee
DIN: 01843547

Annexure – C

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2016

[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 : L6301ITG1995PLC020121
- ii) Registration Date : April 25, 1995
- iii) Name of the Company : Gati Limited
- iv) Category / Sub-Category of the Company : Public Company/Company having share capital, Indian Non-Government Company
- v) Address of the Registered Office and Contact details : Plot no. 20, Sy. No. 12, Kothaguda, Kondapur, Hyderabad - 500 084.
Tel. No. 040 – 7120 284
Fax. No. 040 – 2311 2318
Email id: investor.services@gati.com
Website: www.gati.com
- vi) Whether listed Company : Yes,
a) BSE Limited &
B) National Stock Exchange of India Limited
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032
Tel No: 040 4465 5000-152, Fax No. 040-4465 5024
Email id: mohsin.mohd@karvy.com
Website: www.karvy.com

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)	Cargo handling incidental to land, water & air transport	52241, 52242, 52243	61.41
2)	Retail sale of automotive fuel in specialized store (including the activity of petrol filling stations)	47300	38.59

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company & PIN	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section of Companies Act, 2013
1)	Gati-Kintetsu Express Pvt. Ltd., First floor, Plot No. 20, Sy. No. 12, Kothaguda, Kondapur, Hyderabad-500 084	U62200TG2007PTC056311	Subsidiary	70.00	2 (87)
2)	Gati Kausar India Ltd., 1-7-285, M. G. Road, Secunderabad-500 003	U74899TG1984PLC089495	Subsidiary	79.88	2 (87)
3)	Gati Import Export Trading Ltd., 1-7-293, M. G. Road, Secunderabad-500 003	U60232TG2008PLC057692	Subsidiary	100.00	2 (87)
4)	Zen Cargo Movers Pvt. Ltd., AG-50, Sanjay Gandhi Transport Nagar, G.T. Karnal Road, New Delhi-110 042	U64120DL2007PTC160560	Subsidiary	100.00	2 (87)

5)	Gati Logistics Parks Pvt. Ltd., 1-7-293, M. G. Road, Secunderabad-500 003	U63030TG201IPTC072285	Subsidiary	100.00	2 (87)
6)	Gati Projects Pvt. Ltd., 1-7-293, M. G. Road, Secunderabad-500 003	U45400TG201IPTC072399	Subsidiary	100.00	2 (87)
7)	Gati Asia Pacific Pte Ltd. (GAP), 3 Changi North Street 2, #01-01 Logis Tech, Singapore - 498 827	Foreign Company	Subsidiary	100.00	2 (87)
8)	Gati Hong Kong Ltd., Unit 29 UP, 7/F Metro Centre II No. 21, Lam Hing Street, Kowloon Bay, Hong Kong	Foreign Company	Subsidiary	100 of GAP	2 (87)
9)	Gati Cargo Express (Shanghai) Co. Ltd., Ground Floor, East Gate, No. 399 Huqingping Road, Shanghai, China, 201 105	Foreign Company	Subsidiary	100 of GAP	2 (87)
10)	Gati Ship Ltd., 1-7-293, M.G.Road, Secunderabad-500 003	U61100TG2010PLC070699	Associate	47.95	2 (6)
11)	Gati (Thailand) Ltd., 88, AP, Nakarintr building, 11th floor, Unit 2, Soi Lasalle 58, Bangana Bangkok, 102 60, Thailand	Foreign Company	Associate	21.37	2 (6)

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	
A Promoters									
(1) Indian									
a) Individual / HUF	8139183	-	8139183	9.30	8174183	-	8174183	9.32	0.02
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	14551481	-	14551481	16.64	14371481	-	14371481	16.38	(0.26)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other (Trusts)	13437937	-	13437937	15.36	13454087	-	13454087	15.34	(0.02)
Sub-Total (A) (1)	36128601	-	36128601	41.30	35999751	-	35999751	41.04	(0.26)
(2) Foreign									
a) NRI - Individual	-	-	-	-	-	-	-	-	-
b) Other - Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total promoter shareholding (A) = (A)(1) + (A)(2)	36128601	-	36128601	41.30	35999751	-	35999751	41.04	(0.26)
B Public Shareholding									
(1) Institutions									
a) Mutual Funds	221992	-	221992	0.26	839	-	839	0.00	(0.26)
b) Banks / FI	167118	53745	220863	0.25	274975	53745	328720	0.38	0.13
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-

g)	Flls	8160891	2885	8163776	9.33	7237109	2885	7239994	8.25	(1.08)
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)		8550001	56630	8606631	9.84	7512923	56630	7569553	8.63	(1.21)
(2)	Non-Institutional									
a)	Bodies Corporate									
	i) Indian	5246058	31050	5277108	6.03	5579536	30375	5609911	6.40	0.37
	ii) Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	14982221	1326878	16309099	18.65	21420544	1283297	22703841	25.88	7.23
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	12894992	-	12894992	14.74	6899910	--	6899910	7.87	(6.87)
c)	Others (specify)									
	Foreign Nationals	360	-	360	0.00	360	-	360	0.00	0.00
	Foreign Bodies	4329114	-	4329114	4.95	4329114	-	4329114	4.93	(0.02)
	Director	180000	-	180000	0.21	278000	-	278000	0.32	0.11
	Non Resident Indians	3263922	140340	3404262	3.89	3663171	134595	3797766	4.33	0.44
	Clearing Members	336770	-	336770	0.38	476685	-	476685	0.54	0.16
	Trusts	10600	-	10600	0.01	37400	-	37400	0.04	0.03
	NBFC	-	-	-	-	20646	-	20646	0.02	0.02
Sub-Total (B)(2)		41244037	1498268	42742305	48.86	42705366	1448267	44153633	50.33	1.47
Total Public shareholding (B) = (B)(1) + (B)(2)		49794038	1554898	51348936	58.70	50218289	1504897	51723186	58.96	0.26
C	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		85922639	1554898	87477537	100.00	74109040	1504897	87722937	100.00	-

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	
TCl Finance Limited	8133205	9.30	6.22	8103205	9.24	9.12	(0.06)
Mahendra Investments Advisors Private Limited	3735991	4.27	0.68	3735991	4.26	4.26	(0.01)
Mahendra Kumar Agarwal	3799188	4.34	4.25	3834188	4.37	4.35	0.03
Mahendra Kumar Agarwal (HUF)	4339995	4.96	2.82	4339995	4.95	4.94	(0.01)
Dhruv Agarwal Benefit Trust	3769300	4.31	2.46	3785450	4.32	4.26	0.01
Manish Agarwal Benefit Trust	4068642	4.65	2.51	4068642	4.64	4.15	(0.01)
Bunny Investments And Finance Private Limited	1454972	1.67	1.54	1454972	1.65	1.59	(0.02)
Jubilee Commercial & Trading Pvt. Ltd.	1227313	1.40	0.38	1077313	1.23	1.23	(0.17)
Neera and Children Trust	5599995	6.40	0	5599995	6.38	--	(0.02)
Total	36128601	41.30	20.86	35999751	41.04	33.90	(0.26)

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

Shareholders Name	Shareholding at the beginning of the year		Date wise increase / (decrease) in promoter 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
TCI Finance Limited	8133205	9.30	28.12.2015	(30000)	Transfer/sell	8103205	9.24
Mahendra Investments Advisors Private Limited	3735991	4.27	--	--	--	3735991	4.26
Mahendra Kumar Agarwal	3799188	4.34	04.06.2015	35000	Transfer/Buy	3834188	4.37
Mahendra Kumar Agarwal (HUF)	4339995	4.96	--	--	--	4339995	4.95
Dhruv Agarwal Benefit Trust	3769300	4.31	12.08.2015	16150	Transfer/Buy	3785450	4.32
Manish Agarwal Benefit Trust	4068642	4.65	--	--	--	4068642	4.64
Bunny Investments And Finance Private Limited	1454972	1.67	--	--	--	1454972	1.65
Jubilee Commercial & Trading Pvt. Ltd.	1227313	1.40	11.02.2016	(50000)	Transfer/sell	1177313	1.34
			25.02.2016	(50000)	Transfer/sell	1127313	1.29
			10.03.2016	(50000)	Transfer/sell	1077313	1.23
Neera and Children Trust	5599995	6.40	--	--	--	5599995	6.38

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

S No	Shareholders Name	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	Macquarie Bank Ltd.	5000000	5.72	--	--	--	5000000	5.70
2	Kintetsu World Express Inc	4329114	4.95	--	--	--	4329114	4.93
3	Amal N Parikh	2300000	2.63	--	--	--	2300000	2.62
4	Praveen K Manivannan	1000200	1.14	--	--	--	1000200	1.14
5	Dimensional Emerging Markets Value Fund	322735	0.37	25.12.2015	106496	Transfer/buy	429231	0.49
				31.12.2015	72740	Transfer/buy	501971	0.57
				08.01.2016	28446	Transfer/buy	530417	0.60
				15.01.2016	87115	Transfer/buy	617532	0.70
				22.01.2016	9075	Transfer/buy	626607	0.71
				31.03.2016	--	--	626607	0.71
6	M R Naveen	617820	0.71	--	--	--	617820	0.70
7	Sangeeta Nirmal Bang (HUF)	501648	0.57	21/08/2015	75000	Transfer/buy	576648	0.66
				21/08/2015	(13502)	Transfer/Sell	563146	0.64
				25/09/2015	194345	Transfer/buy	757491	0.86
				25/09/2015	(50000)	Transfer/Sell	707491	0.81
				30/09/2015	(3864)	Transfer/Sell	703627	0.80
				09/10/2015	50000	Transfer/buy	753627	0.86
				09/10/2015	(200000)	Transfer/Sell	553627	0.63
				23/10/2015	180655	Transfer/buy	734282	0.84
				25/12/2015	(234282)	Transfer/Sell	500000	0.57
31/03/2016	--	--	500000	0.57				

8	Pulkit N Sekhsaria	500000	0.57	--	--	--	500000	0.57
9	G. Manivannan	500375	0.57	--	--	--	500375	0.57
10	Neeraj Batra	394386	0.45	12/06/2015	25614	Transfer/buy	420000	0.48
				30/06/2015	10000	Transfer/buy	430000	0.49
				10/07/2015	14386	Transfer/buy	444386	0.51
				24/07/2015	10000	Transfer/buy	454386	0.52
				28/08/2015	30000	Transfer/buy	484386	0.55
				04/09/2015	50000	Transfer/buy	534386	0.61
				16/10/2015	15000	Transfer/buy	549386	0.63
				04/12/2015	30000	Transfer/buy	579386	0.66
				12/02/2016	(108000)	Transfer/Sell	471386	0.54
				31/03/2016	--	--	--	471386

Note: The above information is based on the weekly beneficiary position received from Depositories.

v) **Shareholding of Directors and Key Managerial Personnel**

S. No	For each the Directors and KMP	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	Mr. K L Chugh Chairman	22500	0.03	20.01.16	30000	ESOS allotment	52500	0.06
2	Mr. Mahendra Agarwal Founder & CEO	3799188	4.34	04.06.15	35000	Transfer/Buy	3834188	4.37
3	Mr. N Srinivasan Director	36500	0.04	20.01.16	30000	ESOS allotment	66500	0.08
4	Dr. P S Reddy Director	37500	0.04	20.01.16	30000	ESOS allotment	67500	0.08
				03.03.16	(30000)	Transfer/Sell	37500	0.04
5	Mr. P N Shukla Director	6000	0.01	20.01.16	8000	ESOS allotment	14000	0.02
6	Mr. Sunil Alagh Director	77500	0.09	20.01.16	30000	ESOS allotment	107500	0.12
7	Mr. Yoshinobu Mitsuhashi Nominee Director	--	--	--	--	--	--	--
8	Mr. Sanjeev Jain Director - Finance	--	--	--	--	--	--	--
9	Ms. Sheela Bhide Director	--	--	--	--	--	--	--
10	Mr. VSN Raju Company Secretary	30000	0.03	20.01.16	40000	ESOS allotment	70000	0.08

V. INDEBTEDNESS

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

(₹ in mn)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial Year				
i) Principal Amount	914	1388	476	2778
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	24	24
Total (i+ii+iii)	914	1388	500	2802
Change in Indebtedness during the financial year				
Addition	593	83	48	724
Reduction	433	--	163	596
Net Change	160	83	(115)	128
Indebtedness at the end of the financial Year				
i) Principal Amount	1074	1471	361	2906
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	31	31
Total (i+ii+iii)	1074	1471	392	2937

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Mn)

S. No	Particular of Remuneration	Mr. Mahendra Agarwal, Founder & CEO	Mr. Sanjeev Jain Director-Finance	Total
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	8.62	8.62
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961.	-	0.22	0.22
	c) Profit in lieu of salary 17(3) of the Income Tax Act, 1961.	-	-	-
2	Stock Option (no. of options)	-	1,50,000	1,50,000
3	Sweat Equity	-	-	-
4	Commission			
	- as a % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify – (Gratuity, Provident & Superannuation funds)	-	0.63	0.63
	Total (A)	-	9.47	9.47
	Ceiling as per Section 197 of the Companies Act, 2013			11.58

B. Remuneration to other Directors

(₹ in Mn)

S. No.	Particular of Remuneration	Name of the Directors							Total
		K L Chugh	N Srinivasan	P S Reddy	Sunil Alagh	P N Shukla	Yoshinobu Mitsuhashi	Sheela Bhide	
1	Independent Directors								
	(a) Fee for attending board / committee meetings	0.29	0.40	0.36	0.22	0.36	--	0.22	1.85
	(b) Commission	0.50	0.35	0.25	0.25	0.25	--	0.25	1.85
	(c) Others, please specify	--	--	--	--	--	--	--	--
	Total (1)	0.79	0.75	0.61	0.47	0.61	--	0.47	3.70
2	Other Non-Executive Directors	--	--	--	--	--	--	--	--
	a) Fee for attending board / committee meetings	--	--	--	--	--	--	--	--
	b) Commission	--	--	--	--	--	0.25	--	0.25
	c) Others, please specify	--	--	--	--	--	--	--	--
	Total (2)	--	--	--	--	--	0.25	--	0.25
	Total B = (1+2)	0.79	0.75	0.61	0.47	0.61	0.25	0.47	3.95
	Total Managerial Remuneration as Commission								2.10
	Ceiling as per Section 197 of the Companies Act, 2013								2.32

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

(₹ in Mn)

S. No.	Particular of Remuneration	VSN Raju Company Secretary	Total
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of Income-tax Act, 1961	3.39	3.39
	(b) Value of perquisites u/s 17 (2) Income tax Act, 1961	3.81	3.81
	(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 – (Gratuity, Provident & Superannuation funds)	0.27	0.27
	Total	7.47	7.47

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

There were no penalties, Punishment or Compounding of offences during the year ended March 31, 2016.

Annexure – D

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2016

FORM NO MR 3

Pursuant to Section 204 (I) 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 Limited
 Hyderabad.

We have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, of the compliance of applicable Statutory Provisions and the adherence to good corporate practices by **M/s. Gati 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 in accordance with the representation 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 31st March, 2016** has 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.

I. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ending 31st March, 2016 (“Audit Period”) and we report that the Company has complied with the relevant provisions of the Acts, Rules and Standards thereunder:

I.1. The Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (the Act) and the Rules made thereunder;

I.2. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder;

I.3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

I.4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

I.5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-

I.5.1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

I.5.2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992/2015;

I.5.3. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

I.5.4. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, including erstwhile Guidelines;

I.5.5. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Listing Agreements entered with the National Stock Exchange of India Limited and the BSE Limited.

I.6. Secretarial Standards on the Meetings of the Board of Directors and General Meetings issued by the Institute of Company Secretaries of India.

2. The Company is engaged in the Business of logistics i.e., Cargo Handling incidental to land, water and air transport and retail sale of automotive fuel in specialized store (including the activity of petrol filling stations). 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. Based on the Internal Compliance Certificates received from the respective Department Heads, we are of the view that the company has generally complied these Industry Specific Laws.

i) Carriage of Goods by Air Act, 1972

ii) Carriage of Goods by Sea Act, 1925

iii) Railway Act, 1989

iv) Central Motor Vehicle Rules, 1989

v) Motor Transport Workers Act, 1961

vi) Fatal Accidents Act, 1855

vii) National Highways Act, 1956

viii) Multimodal Transportation of Goods Act, 1993

ix) Control of National Highways (Land and Traffic) Act, 2002

x) Carriage by Road Act, 2007

xi) Road Transport Corporations Act, 1950

xii) Motor Vehicles Act, 1988

3. We further report that:

3.1 The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. There were no changes in the composition of the Board of Directors during the period under review.

3.2 Adequate Notice is given to all the Directors to schedule the Board Meetings along with agenda and detailed notes on agenda were sent at least 7 days in advance.

3.3 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.

3.4 Majority decision is carried through and there were no instances of dissenting members in the Board of Directors.

3.5 It is to be noted that the case filed by the FCCB Holder against the Company before the Secunderabad City Civil

Court for specific performance of contract obligation, i.e. Conversion of FCCB's into Equity Shares, still persist at the end of the Financial Year.

- 3.6 It is to be noted that for the Audit period the following Acts/Regulations either not applicable or no event arise during the Audit Period:
- (i) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009.
 - (ii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
 - (iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
 - (iv) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- 3.7 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.
4. 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. referred to above.

For dvmgopal & associates
Company Secretaries

Place: Hyderabad
Date: April 27, 2016

DVM Gopal
Proprietor
M No: F6280
CP No: 6798

Note: This Report 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 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 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 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.

For dvmgopal & associates
Company Secretaries

Place: Hyderabad
Date: April 27, 2016

DVM Gopal
Proprietor
M No: F6280
CP No: 6798

Annexure – E

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

A) Conservation of Energy:

Your Company continues to be conscious of the environmental impact of our business and continues to improve on its fuel efficiency through various initiatives in this area.

Further, the following measures are implemented continuously by the Company and its subsidiaries:

1. Vehicles were purchased in compliance with all latest regulations relating to pollution control and Bharat Stage (Euro) norms i.e. BSIII / BS IV models.
2. The strict periodical maintenance of Company's vehicles is done as per manufacturer's prescribed norms to ensure optimum fuel consumption & better vehicle maintenance.
3. Stringent checks for vehicles and retiring of vehicles greater than five years old.
4. Drivers' training programs are being organized and conducted periodically to improve their driving skills, safe driving, better vehicle maintenance and improved fuel efficiency of vehicle.
5. Providing DIP i.e., Drivers Information Package which would educate them about Do's and Don'ts, RIC (Route Information card) and check list to be followed before departing the vehicle & monitoring through Vehicle Tracking System.
6. A centralized Operations Command Center (OCC) has been built to provide support to vehicles and drivers 24/7, 365 days.
7. The new Corporate Office has been built adhering to the Leadership in Energy & Environmental Design (LEED) Norms and was awarded LEED GOLDEN Certificate.
8. LED lights are being used for all new warehouses and the old light fixtures are being replaced with LED fixtures.
9. Providing cross ventilation for light and air, thus reducing power consumption in day time.
10. All the warehouses have provided and maintained rain harvesting pits & greenery.
11. Through our rail parcel operations, we determinedly look at shifting transport activity from road towards low carbon railway mode.

B) Technology Absorption:

Your Company has initiated the process of Shop floor automation at its various operating units. As a first step all express packages details are captured at customer premises using mobile devices and all packages are scanned at every stage till delivery using mobile devices. Further all e-Commerce package gets scanned when taken for delivery and all undelivered packages on return to the operating units. Three thousand mobile devices are being used to capture pickup, delivery and scan packages of express distribution and e-Commerce at every stage.

Further, your company has also rolled out successfully a new spend management system. Also, have initiated the roll out of a new integrated and enhanced Human Resource Information System (HRIS).

In order to strengthen the customer service function for our credit customer we have rolled out an IVR based contact center system at 14 Express Distribution Centers.

C) Foreign Exchange earnings and outgo:

The particulars of earning and expenditure in foreign exchange during the year are given as additional information in note no. 42 in Notes on Financial Statements.

Annexure - F

Disclosures pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI form part of the notes to the financial statements provided in this Annual Report.

S. No.	Description	Year ended 31st March, 2016		
		ESOS-2001	ESOS-2006	ESOS-2007
1.	Date of shareholders approval	17.10.2001	11.10.2006	13.10.2007
2.	Total number of options approved under ESOS	32,17,500	17,82,500	17,55,720
3.	Vesting requirements	Commences at the expiry of two years from the date of grant		
4.	Exercise price or pricing formula	At a discount of 25% on the average of the weekly high and low of the closing prices for the Company's Equity Shares quoted on the Bombay Stock Exchange and / or National Stock Exchange during the four weeks preceding the date of grant of the options		
5.	Maximum term of options granted	4 years		
6.	Source of shares (primary, secondary or combination)	Primary		
7.	Variation of terms of options	Nil		
8.	Method used to account for ESOS - Intrinsic or fair value	The company has calculated the employee compensation cost using the intrinsic value of the stock options		
9.	Difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options (pertains to the previous grants amortised amount)	₹ 55,11,933/-		
10.	The impact of this difference on profits and on EPS of the company on the current year profits (Amortised Amount)	Profit (Loss) after Tax (₹ in Lakhs)		1,982.03
		Less: Additional Employee compensation cost of Fair Value over Intrinsic Value (₹ in Lakhs)		55.12
		Adjusted PAT (Loss) (₹ in Lakhs)		1,926.91
		Adjusted EPS (in ₹)		2.26

Details of ESOS during the financial year

S. No.	Description	Year ended March 31, 2016		
1.	Number of options outstanding at the beginning of the year	Nil	9,52,793	5,83,280
2.	Number of options granted during the year	Nil	Nil	Nil
3.	Number of options forfeited/lapsed during the year	Nil	2,100	1,21,500
4.	Number of options vested during the year	2,45,400	Nil	Nil
5.	Number of options exercised during the year	2,45,400	Nil	Nil
6.	Number of shares arising as a result of exercise of options	2,45,400	Nil	Nil
7.	Amount realized by exercise of options (₹)	68,71,200	Nil	Nil
8.	Loan repaid by the Trust during the year from exercise price received	NA	NA	NA
9.	Number of options outstanding at the end of the year (out of total number of options approved under ESOS)	Nil	9,54,893	7,04,780
10.	Number of options exercisable at the end of the year (out of total number of options approved under ESOS)	38,243	1,45,807	10,50,940

11.	Weighted-average exercise		
	Stock Options granted on	Weighted average exercise price (in ₹)	Weighted average Fair value (in ₹)
	12.01.2013	28.00	39.95
	06.02.2014	45.60	75.44
	06.08.2014	85.42	125.70
12.	Employee wise details of options granted to		
	a. Key managerial personnel	Nil	Nil
	b. Any other employee who receive a grant of options in any one year of option amounting to 5% or more of option granted during the year	Nil	Nil
	c. Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants & conversions) of the Company at the time of grant	Nil	Nil
13	Description of the method and significant assumptions used during the year to estimate the fair value of the options, including the following weighted average information		
		The Black Scholes option-pricing model was developed for estimating fair value of traded options that have no vesting restrictions and are fully transferable. Since option-pricing models require use of substantive assumptions, changes therein can materially affect fair value of options. The option pricing models do not necessarily provide a reliable measure of fair value of options.	
14	The main assumptions used in the Black Scholes option-pricing model during the year were as follows:		
	(i) Weighted average values of share price	Refer point no. 11	
	(ii) exercise price	Refer point no. 11	
	(iii) Risk free interest rate	8.00%	
	(iv) Expected Life of Options	3 years	
	(v) Expected volatility	There are no grants during the year.	
	(vi) Dividend yield	1.17%	
15	The method used and the assumptions made to incorporate the effects of expected early exercise	NA	
16	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	We have considered the historical price of the company at the stock exchange, where the trading volume is high. The average closing price on weekly basis was taken to calculate the volatility of the shares.	
17	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	No	

Annexure – G

REPORT ON CORPORATE GOVERNANCE

Corporate governance is the set of processes, customs, policies, laws and institutions affecting the way a company is directed, administered or controlled. It is a system of structuring, operating and controlling a company with a view to achieve long term strategic goals to satisfy shareholders, creditors, employees, customers and suppliers.

Corporate governance is based on principles such as conducting the business with all integrity and fairness, being transparent with regard to all transactions, making all the necessary disclosures and decisions, complying with all the laws of the land, accountability and responsibility towards the stakeholders and commitment to conducting business in an ethical manner.

Company's Philosophy

Gati Limited ('Gati' or 'the Company') believes that timely disclosures, transparent accounting policies and a strong and independent Board go a long way in maintaining good corporate governance, preserving shareholders' trust and maximizing long-term corporate value.

The Company's philosophy on Corporate Governance focuses on the attainment of the highest standards of transparency, accountability, ethics and equity with management flexibility, empowerment and responsiveness in the interest of shareholders, customers, employees, business associates and the society at large.

Gati's corporate governance framework is based on the following main principles:

- Appropriate composition and size of the Board;
- Timely flow of information to the members of the Board and Board Committees;
- Well developed systems and processes for risk management and financial reporting;
- Timely and accurate disclosure of all material operational and financial information.

Board of Directors

A majority of the Board, six out of nine, are Independent Directors. The Board's actions and decisions are aligned with the Company's best interests. It is committed to the goal of sustainably elevating the Company's value creation. The Board critically evaluates the Company's strategic direction, management policies and their effectiveness.

As on March 31, 2016, the Board has Nine Directors, comprising (i) Six Independent Directors, including the Chairman & One Woman Director (ii) Two Executive Directors (iii) One Nominee Director. The composition of the Board is in conformity with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Name*	Designation	Board meetings	Committees			
			Audit	Stakeholder Relationship	Nomination & Remuneration	Corporate Social Responsibility
Mr. K L Chugh	Independent Director-Chairman	Chairman	---	---	Member	---
Mr. Mahendra Agarwal	Founder & CEO	Member	---	Member	---	---
Mr. N Srinivasan	Independent Director	Member	Chairman	---	---	---
Dr. P S Reddy	Independent Director	Member	Member	---	Chairman	Member
Mr. Sunil Alagh	Independent Director	Member	---	Chairman	---	---
Mr. Yoshinobu Mitsuhashi	Nominee Director**	Member	---	---	---	---
Mr. Sanjeev Jain	Director-Finance	Member	---	---	---	Member
Mr. P N Shukla	Independent Director	Member	Member	---	Member	---
Ms. Sheela Bhide	Independent Director	Member	---	---	---	Chairperson

*None of the above Directors are related to each other.

**Nominee Director being Equity Investor in GKEPL, represents Kintetsu World Express (S) Pte Ltd.

The composition of Board/Committees is available on the website of the Company i.e. <http://www.gati.com/investor-relations/committees-of-the-board/>.

Each Director informs the Company on an annual basis about the Board and Board Committee positions he occupies in other companies including Chairmanships and notifies changes periodically and regularly during the term of their directorship in the Company. None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the public companies in which they are Directors.

The number of other directorships, committee chairmanships/memberships held in other companies by each of the Directors is tabled below:

Name	No. of other Directorships and Committee Membership / Chairmanship		
	Other directorships*	Committee**	
		Membership	Chairmanship
Mr. K L Chugh	4	-	-
Mr. Mahendra Agarwal	8	1	-
Mr. N Srinivasan	11	8	4
Dr. P S Reddy	2	1	-
Mr. Sunil Alagh	4	3	1
Mr. Yoshinobu Mitsuhashi	1	-	-
Mr. Sanjeev Jain	1	-	-
Mr. P N Shukla	2	2	1
Ms. Sheela Bhide	6	-	-

*Other directorships do not include Section 8 Companies and companies incorporated outside India.

**Chairmanships / Memberships of Board Committees include only Audit and Stakeholders Relationship Committees.

Meetings of the Board

The Board of Directors must meet at least four times a year, with a maximum time gap of 120 days between two Board meetings. During the financial year 2015-16, the Board met five times: on April 28, 2015, July 30, 2015, October 19, 2015, December 16, 2015 and January 20, 2016. The necessary quorum was present at all the meetings. Video/tele-conferencing facilities were also used to facilitate Directors travelling abroad or at other locations to participate in the meetings. The proceedings of the meetings held through Video Conferencing are duly recorded by the Company.

The below table gives the composition of the Board, their attendance at the board meetings held during the year and at the previous Annual General Meeting held on July 30, 2015 and also the shareholding.

Name	Category and Designation	Attendance particulars		No. of Equity shares
		Board meetings	Last AGM	
Mr. K L Chugh	Independent Director-Chairman	5	Yes	52,500
Mr. Mahendra Agarwal	Founder & CEO	5	Yes	38,34,188
Mr. N Srinivasan	Independent Director	5	Yes	66,500
Dr. P S Reddy	Independent Director	4	Yes	37,500
Mr. Sunil Alagh	Independent Director	4	No	1,07,500
Mr. Yoshinobu Mitsuhashi	Nominee Director	4	Yes	--
Mr. Sanjeev Jain	Director-Finance	5	Yes	--
Mr. P N Shukla	Independent Director	4	No	14,000
Ms. Sheela Bhide	Independent Director	4	Yes	--

Information given to the Board:

The Company provides the following information to the Board and the Board Committees. Such information is submitted either as part of the agenda papers in advance of the meetings or by way of presentations and discussion materials during the meetings.

- Annual operating plans and budgets, capital budgets, updates and all variances;
- Quarterly, Half yearly, Nine months and Annual results of the Company and its subsidiaries;
- Detailed presentations on the business performance of the Company and its material subsidiaries;
- Minutes of meetings of the Audit Committee and other Committees;
- Contract in which Directors and Senior Management personnel are interested;
- Update on the significant legal cases of the Company;
- Subsidiary companies minutes, financial statements and significant investments;
- reviews the compliance reports of all laws applicable to the Company;
- evaluates the Company's strategic direction, management policies, performance objectives and effectiveness of Corporate Governance practices.

Code of Conduct

The Company has adopted a code of conduct for all Board Members and Designated Senior Management of the Company. The duties of Independent Directors as laid down in the Companies Act, 2013, are incorporated in the Code of Conduct. The Code of Conduct is available on the website of the Company i.e. <http://www.gati.com/investor-relations/code-of-conduct/>. All Board members and senior management personnel have affirmed compliance with the code of conduct. A declaration signed by the Managing Director to this effect is annexed at the end of this report.

Declaration by Independent Directors

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

During the financial year 2015-16, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, has been placed before the Board for its consideration.

The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.

Separate meetings of the Independent Directors

During the year under review, the Independent Directors met on January 19, 2016, 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 timeliness 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.

Familiarisation programmes to Independent directors

Brief details of the familiarisation programme is available on the website of the Company: <http://www.gati.com/investor-relations/familiarization-programmes>.

Committees of the Board

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

The Company has four Board-level Committees, namely:

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

Audit Committee

The management is responsible for the Company's internal controls and the financial reporting process while the statutory auditors are responsible for performing independent audits of the Company's financial statements in accordance with generally accepted auditing practices and for issuing reports based on such audits. The Board of Directors has constituted and entrusted the Audit Committee with the responsibility to supervise these processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting. The constitution of the Audit Committee also meets with the requirements of Section 177 of the Companies Act, 2013 and SEBI Listing Regulations.

The primary responsibilities of the Audit Committee are to:

1. Supervise the financial reporting process;
2. Review the quarterly and annual financial results before placing them to the Board along with related disclosures and filing requirements;
3. Review the adequacy of internal controls in the Company, including the plan, scope and performance of the internal audit function and remuneration of the Chief Internal Auditor;
4. Discuss with management, the Company's major policies with respect to risk assessment and risk management;
5. Hold discussions with statutory auditors on the nature and scope of audits and any views that they have about the financial control and reporting processes;
6. Ensure compliance with accounting standards and with listing requirements with respect to the financial statements;
7. Recommend the appointment and removal of statutory auditors and their fees;
8. Ensure that adequate safeguards have been taken for legal compliance for the Company;
9. Review related party transactions;

The Audit Committee entirely comprises of Independent Directors. All members of the Audit Committee are financially literate and bring in expertise in the fields of finance, economics, strategy and management.

During the financial year 2015-16, the Audit Committee met five times viz., on April 28, 2015, July 30, 2015, October 19, 2015, December 16, 2015 and January 19, 2016. The below table gives the composition and attendance record of the Audit Committee.

S. No.	Name	Position	Number of meetings during the financial year	
			Held	Attended
1	Mr. N Srinivasan	Chairman	5	5
2	Mr. P N Shukla	Member	5	4
3	Dr. P S Reddy	Member	5	4

The Audit Committee invites such of the executives, as it considers appropriate, Statutory Auditors and Internal Auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee. The Audit Committee also meets the Statutory Auditors and Internal Auditors separately, without the presence of management representative.

Mr. N Srinivasan, Chairman of the Audit Committee has attended the previous Annual General Meeting held on July 30, 2015.

Nomination & Remuneration Committee:

The Board has constituted Nomination & Remuneration Committee consisting of three Independent Directors. The terms of reference of the Committee cover evaluation of compensation and benefits for Executive Director(s), Non-Executive Director(s), Key Managerial Personnel, framing of policies and systems of the Employee Stock Option Scheme and looking after the issues relating to major HR policies.

During the financial year 2015-16, the Committee met three times viz., on April 28, 2015, July 30, 2015 and January 20, 2016. The below table gives the composition and attendance record of the Nomination & Remuneration Committee.

S. No.	Name	Position	Number of meetings during the financial year	
			Held	Attended
1	Dr. P S Reddy	Chairman	3	2
2	Mr. K L Chugh	Member	3	3
3	Mr. P N Shukla	Member	3	2

Remuneration policy:

The Nomination and Remuneration (N&R) Committee 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.

I. Criteria of Selection Of Non-Executive Directors

- 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.
- In case of appointment of Independent Directors, the N&R Committee 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.
- The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
 - Qualification, expertise and experience of the Directors in their respective fields;
 - Personal, Professional or business standing;
 - Diversity of the Board.
- 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:

- 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;
- 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 on the recommendation of the N&R Committee;
- The N&R Committee may recommend to the Board, the payment of commission on uniform basis, to reinforce the principles of collective responsibility of the Board.
- The N&R Committee may recommend a higher commission for the Chairman of the Board of Directors, taking into consideration his overall responsibility;
- In determining the quantum of commission payable to the Directors, the N&R Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director.
- The N&R Committee may recommend to the Board, for the payment of 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;
- 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 recommended to the Board by the N&R Committee;
- The total commission payable to the Directors shall not exceed 1% of the net profit of the Company;
- The commission shall be payable on prorata basis to those Directors who occupy office for part of the year.
- 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 & Managing Director, the N&R 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 N&R 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 N&R Committee shall ensure / consider the following:
 - a) the relationship of remuneration and performance benchmarks is clear;
 - b) the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
 - c) the 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 N&R Committee shall ensure / 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.

The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned hereinabove, whilst recommending the annual increment and performance incentive to the N&R Committee for its review and approval.

Directors Remuneration

The remuneration paid/payable to the Executive Directors is given below:

a) Executive Director: - (₹ in Mn)

Particulars	Mr. Sanjeev Jain, Executive Director
Salary (p.a)	8.24
Contribution to Provident & other funds (p.a)	0.63
Rent Free Accommodation / Perks (p.a)	0.60
TOTAL	9.47

Stock Option (nos.): 1,50,000

Notice period: 3 months

b) Non-Executive Directors: -

The Sitting fee and commission payable to the Non-Executive Directors during the year under review is in conformity with the applicable provisions of the Companies Act, 2013, and duly considered and approved by the Board and the shareholders.

The details of sitting fee paid to the Non-Executive Directors during the financial year 2015-16 and proposed commission, stock options granted, accepted & outstanding are as follows:

Name	Sitting fee (₹)	Commission (₹)	Stock options * (Nos.)
Mr. K L Chugh	2,90,000	5,00,000	22,500
Mr. N Srinivasan	4,00,000	3,50,000	22,500
Dr. P S Reddy	3,60,000	2,50,000	22,500
Mr. Sunil Alagh	2,20,000	2,50,000	22,500
Mr. P N Shukla	3,60,000	2,50,000	6,000
Ms. Sheela Bhide	2,20,000	2,50,000	-
Mr. Yoshinobu Mitsuhashi	-	2,50,000	-
TOTAL	18,50,000	21,00,000	96,000

*Stock options granted, accepted and outstanding as on 31.03.2016

Commission for the financial year 2015-16 will be paid to the Directors after approval of accounts by the shareholders at the ensuing Annual General Meeting.

Other than above, there is no pecuniary or business relationship between the Non-Executive directors and the company. A declaration to this effect is also submitted by all the Directors at the beginning of each financial year.

Stakeholders Relationship Committee:

The Stakeholders Relationship Committee is empowered to perform the functions of the Board relating to handling of stakeholders' queries and grievances. It primarily focuses on:

1. consider and resolve the grievances of shareholders of the Company with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend, etc;
2. Evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company;
3. Provide guidance and make recommendations to improve investor service levels for the investors.

The Committee consists of two Directors viz., Mr. Sunil Alagh, Chairman and Mr. Mahendra Agarwal, Member. During the financial year 2015-16, the Investors' Grievance Committee met once on October 19, 2015 and all the members were present for the meeting.

The Company Secretary of the Company act as the secretary of the Committee and also designated as Compliance Officer.

In order to expedite the process of transfers of shares, transmission of shares etc. the Board has delegated the powers to certain officers of the Company.

An analysis of the investor complaints received and redressed during the financial year 2015-16 is given below:

Sl. No.	Nature of Complaint	Received	Dispos- ed	Pend- ing	Not resolved to the satisfaction of shareholders
1	Non receipt of dividend warrants	9	9	NIL	NIL
2	Non receipt of Annual Report	6	6	NIL	NIL
3	Non-receipt of stock split shares	3	3	NIL	NIL

Name, designation and address of Compliance Officer:

Company Secretary & Chief Investor Relations & Compliance Officer
Plot no.20, Survey no.12
Kothaguda, Kondapur,
Hyderabad – 500 084
Tel: 040 7120 4284
Fax: 040 2311 2318
Email: investor.services@gati.com
Website : www.gati.com

Corporate Social Responsibility Committee (CSR)

Corporate Social Responsibility (CSR) is an integral part of our culture and constantly seeks opportunities to give back to the society and hope to make a difference to the lives of people by sharing our business success with them.

The main objective of the CSR Policy is to lay down guidelines and also make CSR as one of the key business drivers for sustainable development of the environment and the society in which GATI operates in particular and the overall development of the global community at large.

The role of the Corporate Social Responsibility Committee is as follows

- Formulating and recommending to the Board the CSR Policy and activities to be undertaken by the company;
- Recommending the amount of expenditure to be incurred on CSR activities of the company;
- Reviewing the performance of the Company in the area of CSR;
- Providing external and independent oversight and guidance on the environmental and social impact of how the company conducts its business;
- Monitoring CSR policy of the company from time to time;
- Monitoring the implementation of the CSR projects or programs or activities undertaken by the company.

The CSR Committee comprises of three Directors viz., Ms. Sheela Bhide, Chairperson, Dr. P S Reddy, Member and Mr. Sanjeev Jain, Member. During the financial year 2015-16, the CSR Committee met once i.e. on January 19, 2016 and all the members were present for the meeting.

General Body Meetings

(a) Annual General Meeting:

Year(s)	Date of AGM	Time	Venue	No. of Special resolutions passed
2014-15	July 30, 2015	11.00 a.m.	Hotel Novotel Hyderabad Convention Centre, Novotel & HICC Complex, Cyberabad post office, Hyderabad – 500 081	4
2013-14	August 5, 2014	11.00 a.m.	Hotel Novotel Hyderabad Convention Centre, Novotel & HICC Complex, Cyberabad post office, Hyderabad – 500 081	6
2012-13	November 6, 2013	10.30 a.m.	Hotel Radisson Blu, 8-2-409, Road No.6, Banjara Hills, Hyderabad – 500034	1

(b) Extraordinary General Meeting:

During the year, company has not conducted any Extraordinary General Meeting.

Postal Ballot:

No Special Resolution was passed by the Company last year through Ballot. No Special Resolution is proposed to be conducted through Postal Ballot in the ensuing Annual General Meeting to be held on Thursday, August 4, 2016.

Disclosures

- (a) Disclosures on materially significant related party transactions, which may have potential conflict with the interest of the Company at large:

There are no materially significant related party transactions that may have potential conflict with the interest of the Company at large. However, the other related party transactions forms part of the financial statements. The related party transactions policy is available on the website of the Company i.e. www.gati.com/pdf/Investors/RP-Policy.pdf

- (b) Except as specified below there were no non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India or any statutory authority, on any matter related to capital markets, during the last three years:

In response to Company's application to Reserve Bank of India (RBI) seeking permission for part repurchase of FCCBs, RBI vide its letter dated September 27, 2013 accorded permission while stating that the Company was not an eligible borrower under the automatic route and the borrowing be treated as a Foreign Debt. The Company was levied a compounding fee of ₹ 29.60 mn in this respect. While suspending the compounding orders of RBI, the Hon'ble High Court of Andhra Pradesh had passed an interim order directing the Company to deposit ₹ 0.74 mn with Reserve Bank of India, out of the compounding fee of ₹ 29.60 mn, which the Company has since deposited. The company is awaiting clarification from the Reserve Bank of India on various matters pertaining to FCCB issued by the company. In the meanwhile the trustee of the bond holders has filed a civil suit in the Secunderabad Court for specific performance, which the company is contesting. The matter is subjudice.

(c) Whistle blower policy

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI Listing Regulations for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the audit committee. The Vigil Mechanism Policy is available on the website of the Company i.e. www.gati.com/pdf/Investors/GATI-Vigil-Mechanism-Policy.pdf.

(d) The Company has complied with all mandatory requirements of SEBI Listing Regulations.

(e) Subsidiary Companies:

The Board of Directors has reviewed the financial statements and minutes of the board meetings of Gati Kintetsu Express Private Limited (GKEPL), the materially unlisted subsidiary company. Ms. Sheela Bhide, Independent Director of the Company is also on the Board of GKEPL. The policy for determining 'material' subsidiaries is available on the website of the Company i.e. www.gati.com/pdf/Investors/announcements/Policy-on-material-subsiadiaries.pdf

(f) Disclosure of commodity price risks and commodity hedging activities: Not Applicable.

The Company is preparing its financial statements in line with the accounting standards issued by the Institute of Chartered Accountants of India and the company has not raised any fresh funds from the public or through Right or Preferential Issue.

Details of compliance with mandatory requirements

The Company has complied with all mandatory requirements specified in regulation 17 to 27 and clause(b) to (i) of sub regulation (2) of regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Non-Mandatory Requirements

Audit qualification

The Company is in the regime of unqualified financial statements.

Separate posts of Chairman and CEO

Mr. K L Chugh is Non-Executive Independent Director & Chairman and Mr. Mahendra Agarwal is the Managing Director & CEO of the company.

Reporting of Internal Auditor

The Internal Auditor directly reports to the Audit Committee.

CEO and CFO Certification:

The Chief Executive Officer and the Chief Financial Officer of the Company give certification on financial reporting and internal controls for the financial year 2015-16 to the Board of Directors of at their meeting held on April 27, 2016 as required under regulation 17(8) of SEBI Listing Regulations.

Means of Communication

(a) Publication of results

The quarterly, half-yearly & nine months un-audited financial results and annual audited results of the Company were generally published in Financial Express, national level English newspaper(s) as well as Nava Telengana, regional language newspaper circulating in the state of Telangana.

(b) Website and News Release

The quarterly, half yearly, nine months un-audited financial results and annual audited results of the Company are available on the website of the Company i.e. "www.gati.com". Official news releases, detailed presentations made to media, analysts, institutional investors, etc are available on the website of the Company i.e. www.gati.com. Official media releases are sent to BSE Limited and National Stock Exchange of India Limited. Your Company also make timely disclosure of necessary information to BSE Limited and National Stock Exchange of India Limited in terms of the SEBI Listing Regulation and other rules and regulation issued by the Securities and Exchange Board of India.

Further following information is available on the website of the Company i.e. www.gati.com;

- Details of business of the Company;
- Terms and conditions of appointment of Independent Directors;
- Composition of various Committees of Board of Directors;
- Code of Conduct for Board of Directors and Senior Management Personnel;
- Details of establishment of vigil mechanism/ Whistle Blower policy;
- Criteria of making payments to Non-Executive Directors;
- Policy on dealing with Related Party Transactions;
- Policy for determining 'material' subsidiaries;
- Details of familiarization programmes imparted to Independent Directors;
- Policy for determination of materiality of events.

NSE Electronic Application Processing System (NEAPS):

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

E-voting

Pursuant to the requirements of the Companies Act, 2013 and the SEBI Listing Regulations, company is providing e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at the General Meetings.

Additional Shareholders' Information

Annual General Meeting:

Date: Thursday, August 4, 2016

Time: 10:00 a.m.

Venue: Hotel Radisson Blu Plaza, 8-2-409, Road No. 6, Banjara Hills, Hyderabad – 500 034

Financial Calendar

Financial Year - 1st April to 31st March

Tentative calendar for declaration of financial results in Financial Year 2016-17	
Results for the quarter ended June 30, 2016	on or before August 14, 2016
Results for the quarter ended September 30, 2016	on or before November 14, 2016
Results for the quarter ended December 31, 2016	on or before February 14, 2017
Results for the year ended March 31, 2017	on or before May 30, 2017

Book Closure dates: The dates for book closure are from Thursday, July 28, 2016 to Thursday, August 4, 2016 (both days inclusive).

Dividend

The Board of Directors at their meeting held on April 27, 2016, recommended a dividend of ₹ 1.00 per share (50%) on equity shares of ₹ 2/- each for the financial year ended March 31, 2016. The Dividend if approved by the shareholders at the 21st Annual General Meeting scheduled to be held on Thursday, August 4, 2016, will be paid within the stipulated time i.e. 30 days from the date of declaration.

Unclaimed dividend

The shareholders and other stakeholders are hereby informed that pursuant to the provisions of the Companies Act, 1956/2013, all dividends remaining unpaid / unclaimed for a period of seven years from the date they became due for payment will have to be transferred to the Investors' Education and Protection Fund (IEPF) set up by the Central Government. The details of outstanding dividend accounts are given below.

Sl. No	Dividend for the year	Dividend %	Date of declaration	Due date for transfer
1	2009-10 : Final	20	27.10.2010	26.11.2017
2	2010-11 : Final	25	16.11.2011	15.12.2018
3	2011-12 : Interim	30	29.06.2012	28.07.2019
4	2011-12 : Final	25	19.10.2012	18.11.2019
5	2012-13 : Final	30	06.11.2013	05.12.2020
6	2013-14 : Final	35	05.08.2014	04.09.2021
7	2014-15: Interim	30	05.12.2014	04.01.2022
8	2014-15: Final	40	30.07.2015	28.08.2022

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on July 30, 2015 (date of last Annual General Meeting) is available on the website of the Company i.e. www.gati.com, and also on the website of the Ministry of Corporate Affairs.

Unclaimed Shares:

The Company is in the process of sending reminders to the shareholders whose shares were lying with the Company unclaimed/ undelivered. These will be transferred to the Demat Suspense Account /unclaimed suspense account as required in accordance with the procedural requirements of the SEBI Listing Regulations.

Code of Conduct for prohibition of Insider trading

Your company had adopted a Code of conduct as per Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. All Directors, Senior Management Personnel, person forming part of Promoter(s)/Promoter(s) Group(s) and such other Designated Employees who could have access to the Unpublished Price Sensitive Information of the Company are governed by this Code. During the year under review, the Company had made due compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The code of conduct is available on the website of the Company i.e. www.gati.com. Company Secretary of the Company was appointed as the Compliance Officer by the Board to ensure compliance and effective implementation of the Insider Trading Code.

Listing on Stock Exchanges

The Company's shares are listed on BSE Limited (BSE), Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 and The National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. The FCCBs are listed with Singapore Stock Exchange Limited (SGX-ST).

The listing fee for the year 2016-17 has been paid to all the above stock exchanges.

Stock Code:

- Trading scrip code on BSE : 532345
- Trading scrip code on NSE : GATI

International Securities Identification Number (ISIN):

ISIN is a unique identification number of traded scrip. The Company's ISIN for equity shares is INE152B01027.

Market Price Data

The Monthly high and low prices of your company's share at BSE and NSE for the year ended March 31, 2016 are as under:

Month	NSE		BSE	
	High	Low	High	Low
Apr-2015	250.70	194.50	250.70	195.00
May-2015	229.35	179.55	229.40	179.35
Jun-2015	185.00	140.65	184.90	140.85
Jul-2015	206.45	163.10	206.50	163.45
Aug-2015	188.40	115.50	188.55	115.05
Sep-2015	147.90	123.50	148.10	123.60
Oct-2015	170.40	139.00	170.50	139.25
Nov-2015	175.50	127.00	175.50	126.90
Dec-2015	181.40	150.55	181.35	150.70
Jan-2016	167.50	97.70	167.75	97.65
Feb-2016	124.70	94.50	124.70	94.60
Mar-2016	117.50	100.10	117.75	99.85

Share price performance in comparison to broad based indices - BSE Sensex

Particulars	Gati share price v/s NSE		Gati share price v/s BSE	
	Share price (₹)	NSE Nifty	Share price (₹)	BSE Sensex
As on April 1, 2015	216.55	8483.70	216.00	27954.89
As on March 31, 2016	108.95	7738.40	109.40	25341.86
Changes (%)	(49.69)	(8.79)	(49.35)	(9.35)

Total equity as on March 31, 2016 was 8,77,22,937 (previous year 8,74,77,537) equity shares of ₹2/- each.

Share Transfer System

All queries and requests relating to share transfers/transmissions may be addressed to our Registrar and Transfer Agent:

Karvy Computershare Private Limited

(Unit: Gati Limited)

Karvy Selenium Tower B, Plot 31-32, Gachibowli,

Financial District, Nanakramguda,

Hyderabad – 500 032

Tel. No: 040 4465 5000-152

Fax No : 040 4465 5024

E-mail: mohsin.mohd@karvy.com

Web Site : www.Karvy.com

98.28% of the shares of the company are in demat form. Transfer of these shares are done through the depositories. As regards transfer of shares held in physical form the transfer documents can be lodged with M/s. Karvy Computershare Private Limited. Share transfers, if documents are found to be in order, are registered and returned within stipulated time from the date of receipt of the documents.

Dematerialization of Shares and liquidity

98.28% of the total shares have been dematerialized upto March 31, 2016. Dematerialization of shares is done through M/s. Karvy Computershare Private Limited and on an average the dematerialization process is completed within 7 days from the date of receipt of a valid dematerialization request along with the relevant documents.

Particulars	Shares on March 31, 2016	%
Physical Shares	15,04,897	1.72
NSDL	7,14,32,076	81.43
CDSL	1,47,85,964	16.85
Total	8,77,22,937	100.00

Secretarial Audit

The Company has undertaken secretarial audit for the financial year 2015-16 which, inter alia, includes audit of compliance with the Companies Act, 2013, and the rules made under the Act, SEBI Listing Regulations and applicable regulations prescribed by the Securities and Exchange Board of India and Foreign Exchange Management Act, 1999 and Secretarial Standard issued by the Institute of the Company Secretaries of India. The Secretarial Audit Report forms part of the Annual Report.

As stipulated by Securities and Exchange Board of India, a Qualified Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total Listed and Paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

Distribution Schedule as on March 31, 2016:

No. of shares	No. of Share holders	% of total Share holders	No. of shares	% to Total Capital
Upto 5000	86,520	98.37	1,70,95,029	19.49
5001 10,000	762	0.87	27,98,167	3.19
10,001 20,000	313	0.36	23,29,804	2.65
20,001 30,000	108	0.12	13,60,106	1.55
30,001 40,000	56	0.06	10,16,794	1.16
40,001 50,000	36	0.04	8,16,788	0.93
50,001 1,00,000	69	0.08	24,64,898	2.81
1,00,001 And above	85	0.10	5,98,41,351	68.22
TOTAL	87,949	100.00	8,77,22,937	100.00

Distribution of Shareholding on the basis of ownership as on March 31, 2016

Sl. No	Description	No. of shares	% of total capital
1	Company Promoter / Promoter group	3,59,99,751	41.04
2	Foreign Institutional Investors	72,39,994	8.25
3	Banks / Mutual Funds / NBFC	3,50,205	0.40
4	Bodies Corporate	56,09,911	6.40
5	Individuals / HUF	2,98,81,751	34.06
6	Non Resident Indians	37,98,126	4.33
7	Foreign Bodies	43,29,114	4.93
8	Clearing Members / Trusts	5,14,085	0.59
	TOTAL	8,77,22,937	100.00

Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity

The Company allotted FCCBs amounting to USD 22.00 Million FCCBs in December 2011. FCCBs amounting to USD 22.00 Million are outstanding as on the date of this report.

In response to Company's application to Reserve Bank of India (RBI) seeking permission for part repurchase of FCCBs, RBI vide its letter dated September 27, 2013 accorded permission while stating that the Company was not an eligible borrower under the automatic route and the borrowing be treated as a Foreign Debt. The Company was levied a compounding fee of ₹ 29.60 mn in this respect. While suspending the compounding orders of RBI, the Hon'ble High Court of Andhra Pradesh had passed an interim order directing the Company to deposit ₹ 0.74 mn with Reserve Bank of India, out of the compounding fee of ₹ 29.60 mn, which the Company has since deposited.

The company is awaiting clarification from the Reserve Bank of India on various matters pertaining to FCCB issued by the company. In the meanwhile, the trustee of the bond holders has filed a civil suit in the Secunderabad Court for specific performance, which the company is contesting on various grounds. The matter is subjudice.

Plant Location: None

Investor Correspondence

For queries relating to shares:

Karvy Computershare Pvt. Ltd.
(Unit Gati Limited)
Karvy Selenium Tower B
Plot 31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad – 500 032
Tel: 040 4465 5000-152
Fax: 040 4465 5024
E-mail: mohsin.mohd@karvy.com
Website www.karvy.com

For queries relating to Financial Statements and other contents of Annual Report:

Gati Limited
Corporate Compliance Department
Plot no.20, Survey no.12
Kothaguda, Kondapur
Hyderabad – 500 084.
Tel: 040 7120 4284
Fax: 040 2311 2318
Email: investor.services@gati.com
website: www.gati.com

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Gati Limited,

We have examined the compliance of conditions of Corporate Governance by Gati Limited (“the company”) for the year ended March 31, 2016, as stipulated in clause 49 of the Listing Agreement (“Listing Agreement”) of the Company with the Stock Exchanges for the period April 01, 2015 to November 30, 2015 and as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) for the period December 01, 2015 to March 31, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated above. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For dvmgopal & associates
Company Secretaries

Place: Hyderabad
Date: April 27, 2016

dvm gopal
Proprietor
CP no. 6798
FCS no. 6280

Declaration

As provided under regulation 26(3) of the SEBI (LODR) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for Board of Directors and Senior Management for the year ended March 31, 2016.

for GATI LIMITED

Place: Hyderabad
Date: April 27, 2016

Mahendra Agarwal
Founder & CEO
DIN: 00179779

Management Discussion & Analysis

Overview of the Economy

Global

As per International Monetary Fund, Global recovery continues, but at an ever-slowing and increasingly fragile pace. Notwithstanding this cloudier picture of economic fundamentals, financial markets in advanced economies have, at this writing, partially reversed their downtrend of the first weeks of 2016. Some improved data releases, a firming of oil prices, lower capital outflows from China, and decisions by major central banks have all contributed to improved sentiment.

The baseline projection for global growth in 2016 is a modest 3.2 percent, broadly in line with last year, as per the latest World Economic Outlook. Growth in China and India has been broadly in line with projections, but trade growth has slowed down noticeably.

Indian Economy

The Indian economy expanded by 7.6 per cent in financial year 2015-16 to log the fastest growth among larger countries, also outpacing China. While this was also the fastest growth it is generally perceived as an indication of economic recovery gaining momentum.

As per International Monetary Fund, growth is projected to notch up to 7.5 percent in financial year 2016-17, as forecast in October. Growth will continue to be driven by private consumption, which has benefited from lower energy prices and higher real incomes. With the revival of sentiment and pickup in industrial activity, a recovery of private investment is expected to further strengthen growth.

The Index of Industrial Production (IIP), for the entire financial year 2015-16 fiscal, grew at 2.4 percent, down from 2.8 percent in the previous fiscal. The IIP decelerated in financial year 2015-16, mainly pulled down by weak manufacturing in an environment of subdued investment demand and weak rural consumption.

Indian Logistics Sector

Introduction

According to 'Indian Logistics Industry 2016 Outlook' a Frost & Sullivan report economic reforms, trade co-operation, improved transportation infrastructure, and industrial growth are ushering in increasing opportunities for the Logistics Service Providers (LSP) in India. Presently, the Indian logistics industry is witnessing development and expansion of its existing infrastructure and emergence of e-commerce-specific logistics solutions; it has strong focus on manufacturing, but also has large presence of unorganized service providers.

The report finds that the industry is likely to grow at a CAGR of 8.6% between 2015 and 2020; it grew at a CAGR of 9.7% during 2010-2015. The key drivers of this growth are infrastructure investment associated with ports, airports and other logistics development plans, domestic demand growth and increasing trade.

Dedicated freight corridor, increased port connectivity and proposed auto hub are likely to increase share of railways in land transport. Despite economic uncertainties, the Indian logistics sector is likely to grow above 6% in 2016.

India Logistics issues and challenges

Roads are the main source of transportation. Despite major developments in road development in India in the last decade India's investment to develop roads are still insufficient. Worldwide experience says that effective use of rail logistics can be more cost effective, reliable and timely. Rail infrastructure in India though is ignored and is underdeveloped. The development of ports also suffers from a similar story. The rise of the public-private partnership in infrastructure has not helped much and thus the transportation and network costs of doing business in India leads to disadvantage for the Indian firms. This along with huge administrative costs including insurance and government taxes and the inefficiency of the clearing process by border control agencies including customs, makes logistics a costly affair in this country. Despite numerous efforts, we have been able to make only marginal progress as far as Logistic performance indicators are concerned.

Emerging opportunities and Trends

Good & Service Tax (GST)

The Government of India has been taking several steps to rationalise the tax systems in the country. Among the major initiatives of the past being the introduction of Value Added Tax (VAT) System. Subsequent to the success of the VAT regime, the Government embarked on efforts for implementation of a much more refined and globally preferred tax system known as Goods and Services Tax (GST) in 2007. GST is defined as a 'nationwide uniform taxation system' which replaces multiple taxations by central and state governments in a country. The concept is that a specific product or service would have the same level of taxation across the entire country irrespective of being manufactured and sold in different sub-national territories (states). Across the world, GST is the most popular trade tax regime practiced by over 150 countries.

Benefits to Logistics Sector due to GST

- Centralization of inventory into larger regional warehouses
- Move from Local to regional distribution (service levels to areas outside major distribution centers will have to improve)
- Shift to larger full truckload movements servicing inventory transfers to the larger warehouses
- Improved travel speeds due to reduction in regulatory delays

e-tail Logistics

Indian e-tailing industry is valued at US\$ 17 billion and growing at a CAGR of 35%, fuelled by increasing internet and mobile usage as well as online shopping. Logistics cost in e-tailing is estimated to be 7-9% and with increasing tendency to focus on core competent areas of the business e-tailing companies are more and more de-verticalizing complex logistic services from their core activities.

Both the e-retailers and their logistics service providers need to have a very well integrated (seamless) communication system and technology infrastructure along with the physical logistics infrastructure to deal with this dynamic nature of the business. Express transportation and time definite transportation services are a default need of this industry. Lean warehousing with a high efficiency of inventory holding and turnover is also a default expectation of logistics service users

of this industry. In addition, usage of value added logistics services such as packaging, labelling, bundling, etc. is significantly higher than traditional channels. Further, premium logistics service features such as continuous consignment visibility, flexible delivery times, end-to-end reverse logistics flow, are also considered as basic services by industry participants.

In order to gain economies of scale and to remain focused on the core business e-tailing companies are outsourcing their order management, logistics and fulfilment services to 3PL partners like GATI.

Cold chain Logistics

Indian Cold Chain industry valued at ₹ 24,500 cr. (financial year 2012-13) is expected to grow at a CAGR of ~28% over the next 4 years and reach a market size of ₹ 50,000 cr. in 2017. Fruits & Vegetables, items for Quick Service Restaurants (QSR), Dairy, Pharma products, Meat & Fish, Ice Cream & Confectionary and Flowers are the prominent items transported and stored using cold chain logistics. It is estimated that about 104 million metric tons of perishable products are transported between the cities in India every year and of this only 4 million metric ton is transported through reefer mode (Refrigerated Container) thus exposing the rest 100 million metric ton to damage at the farm gate, while in transit or depletion in freshness and quality.

Review of GATI's Business

GATI was established in 1989. Gati Group is primarily into express distribution, supply chain solutions, e-Commerce & cold chain logistics. Express distribution business & supply chain solutions of the group is managed by Gati-Kintetsu Express Pvt. Ltd. (GKEPL), a Joint Venture (JV) between Gati and Kintetsu World Express, Japan's leading logistics provider. The JV manages the express distribution and supply chain of the group and accounts for 68% of the overall business.

Express Logistics

Express distribution is time sensitive movement of commercial packages on door-to-door delivery concept and Gati is a pioneer in developing this concept in India more than 25 years back. Over the years, the company has developed multi-model capabilities and delivers more than 70 million packages yearly by road, air and rail.

Express distribution division of GATI has over 5000 clients from industry sectors such as Pharma, FMCG, Engineering, Auto ancillary, Textiles & IT hardware. Express distribution division has a combined fleet of 5000 vehicles and a warehousing capacity of 3 mn. sq. ft.

e-tail Logistics

Quick facts

- Help companies access specialized e-tailing logistics expertise
- e-tailer can focus on growth and enhancing customer loyalty
- Reduced operating costs
- Flexibility to match the e-tailer's D2C strategy
- Reduce Risks
- Eliminate Administrative Headaches
- Scale on Demand
- Increase customer service levels

Leveraging its extensive express logistic network GATI introduced

e-tail logistics services in the year 2008 and today it is the fastest growing vertical within the express distribution business. The management is adding new pin codes every quarter of the year. Presently Gati's e-tail logistics have built a capacity to deliver more than 70,000 packets per day.

Cold Chain Logistics

Quick facts

- ISO 9001:2008 and FSSAI certified company
- HACCP procedures for safety and prevention of contamination
- State-of-the-art modern refrigerated units from France and USA Containers with insulation to withstand the harsh India climate zones
- Tamper-proof vehicles to mitigate pilferage risk Unmatched Infrastructure and Network
- Fleet comprising of over 200 refrigerated vehicles Load Capacity from 1.3 tonnes to 24 tonnes, temperature range from +25°C to -25°C
- Transporting approximately 2,00,000 tonnes annually unmatched network, we covered over 300 districts in India
- IT capabilities, Modern Vehicle Tracking System, Data loggers to monitor in-transit conditions throughout the journey
- In house capabilities, In-house dedicated solutions team, reefer trucking team and refrigeration team In-house workshop, with inventory of approximately 3000 SKUs

Gati Kausar is a prominent player in the fast emerging Indian cold chain industry. The strength of the company lies in its state-of-the-art temperature controlled, integrated transport and storage facilities for agriculture produces, processed food and other temperature sensitive products. Gati Kausar has modern fleet of 187 refrigerated vehicles with advanced climate control systems. Company have also commenced work for its first cold storage warehouse near Gurgaon which will be operational in the financial year 2016-17.

Import /Export & Trading

Gati Import Export Trading Limited (GIETL), a subsidiary of Gati Limited, offers clients a unique business partnership in domestic distribution management with logistics efficiency as focus. Some of the services GIETL provides are imports/exports of products as importer/exporter of record billing & distribution to end customers and high sea sales management. As IOR/EOR Company provides end-to-end solutions such as international freight forwarding, customs handling, importation of goods, warehousing and last-mile delivery to the end-customer (B2B, B2C) customized solutions for companies not having set up in India but wanting to expand their sales and services.

Company also provide unique supply chain solutions to consumer goods companies.

Gati International

Gati international is the global wing of Gati Ltd. and one of the leading providers of freight forwarding and logistics services, specialized in air freight, ocean freight shipments and associated Supply Chain Management Solutions. Being experts at India centric operations, we have an expansive reach of more than 99% of districts and have a network of 61 warehouses pan India.

Backed by in-depth industry knowledge, unmatched reach across India, APAC and SAARC nations, world-class infrastructure, experienced staff and state-of-the-art IT systems, Gati International provides a comprehensive supply chain expertise and logistics infrastructure that work seamlessly to ensure highly cost-effective solutions.

To enable seamless multi-modal logistics solution, Gati International has offices in Singapore, Hong Kong, China, Nepal, Thailand and an agency network that spans across 100 countries.

Review of GATI's Preparedness against emerging opportunities

GST: Overall, simplification of the current indirect tax structure will encourage efficient supply chain management rather than a tax-based network decisions. Gati, being a long term provider of parcel and Light Truck Load (LTL) freight services to industry, will see a corresponding level of organic growth in freight volumes.

It is well recognized that the introduction of GST will lead to the centralization of inventory instead of the current network of 20+ warehouses for a traditional pan-India organization, resulting in reduction of inventory. As our customers look to consolidate warehouses into 4-5 regional centers, our 3PL business is gearing up to support this transition to meet the needs of current and future customers.

There will be a corresponding shift to full truckload movements servicing inventory transfers to these major warehouses. That being the case, we also recognize that service levels to areas outside these major centres will have to improve, so there will be a corresponding increase in the levels of LTL movements to regional markets that require de-consolidation and more frequent deliveries of replenishment inventory. While our current pan-india network is ideally placed to service these regional needs, we are looking to increase the space available to support LTL cross-dock and de-consolidation services across our network.

With the general consensus supporting warehouse rationalization the current national transportation fleet is mismatched as it is dominated by less efficient 9-12 tonne vehicles. Gati is a major consumer of higher capacity fleet assets so securing load capacity either through vendor development or investment in owned assets will be critical.

e-tail Logistics: GATI's e-tail logistic services come with the expertise to achieve complex needs in managing customised e-tailing logistics solutions. Leveraging its extensive express logistic network, strong e-fulfilment capabilities and innovative supply chain technologies, GATI is ready to ride on the rapid growth of e-commerce. To further increase the competitive advantage of the company, the management strategy is to focus on expanding networks, strengthening and growing capabilities, increasing the number of eFCs, and talent acquisition.

In financial year 15-16 the company procured IBM's Sterling Commerce, a Tier-I warehouse management systems for providing efficient e-logistic services to e-tailers. Sterling Commerce has the ability to handle complex operations of a fulfilment centre – especially supporting multi user fulfilment centres. Sterling Commerce is task based (automated) and highly scalable. This will allow the operation team to address the varying needs of different customers in same location. It will help to further improve company's operational efficiency and drive the flow of product through eFCs in an automated fashion. Scalability is another key advantage of this technology.

Risk Assessment & Mitigation

The present and anticipated future risks are reviewed by the management of your company at regular intervals. Based on its past experiences, the management tries to remain vigilant about all prospective risks and takes suitable preventive steps & measures to adequately safeguard your companies resources like property & personnel, so that the business continues as usual even during difficult situations.

Elements of Risk Identified	Risk Impact on Gati Limited	Mitigation Strategy
Generic Risk		
Industry Risk	The Logistics industry is prone to cyclical fluctuations in the economy caused by changes in global and domestic economies, industrial production, downturn in business cycle, local market conditions, Fuel prices fluctuation & shortage, competition, government policies and regulations, interest rates fluctuation and foreign exchange rates and other social factors beyond our control. Carriers can be expected to charge higher prices to cover higher operating expenses and our gross profits and income from operations may decrease if we are unable to pass through to our customers the full amount of higher transportation costs.	Your Company offers services in all aspects of logistics and supply chain management to a diverse range of industries. Your company keeps a close watch on the economic environment and timely actions are taken accordingly. These measures helps us to mitigate the industry risks. Also, our internal control systems and processes are constantly reviewed and revamped as per industry best practices.
Company Specific Risk		
Legal Risk	Legal liability on account of claims due to service deficiency or a third party claim on company or its Directors or Officers.	We have Courier Legal Liability, Commercial General Liability and Directors and Officers Liability policy to mitigate the risk involved in business operations.

Elements of Risk Identified	Risk Impact on Gati Limited	Mitigation Strategy
Attrition Risk	Failure to attract & retain talent or to implement an effective succession planning for key positions or to continuously update employees skills sets in line with current and future requirements may adversely affect the Company's performance.	We have well defined appraisal system in place. All high performance employees are given periodical trainings and duly rewarded for their performance.
Brand Equity & Quality Risk	We are in the service business wherein maintaining a good reputation and customer confidence in our services is critical to our business. With the manifestation of social networking and our growing B2C business through e-Commerce, anything that damages our reputation over digital media can be a loss of brand equity and therefore a risk to the business.	Your Company continuously upgrades its services through advancement of technology and upgradations, business process re-engineering and by imparting training to its employees & business partners at all levels on regular basis. Also, our internal systems and processes are constantly reviewed and revamped as per industry best practices.
Cash on Delivery (COD) & Stock Risk	e-commerce is an emerging sector wherein your company delivers the shipments on Cash on delivery basis. The cash collected against value of shipments is in turn remitted back to e-tailer customers. There are multiple risk involved in Cash transaction in addition to a threat of Damage, Pilferage / Shrinkage or loss of cargo due to normal transit hazards, accidents or hijacking of trucks or force majeure.	We have availed CMS facility at all our branches wherever there is high cash movement. Money-In-Transit & Fidelity Guarantee Insurance policies have been taken as a back-up. All vehicles are insured against loss or damage due to accident. We have installed Vehicle Tracking System devices and Operations Command Center is monitoring all our vehicles 24/7 to ensure safety of cargo & vehicles. To mitigate risk of pilferage from warehouses we have installed CCTV cameras at all locations and is centrally monitored through Operations Control Centre.
Competition Risks	Being part of a fragmented industry, Gati faces significant competition at local, Regional and National levels. Our competitors operates with business models that allow them to offer services and pricing that Gati may not be willing or able to offer to cost-sensitive customers. In India, monopoly is prohibited so market is open for all and this risk arises from more players wanting a share in the same pie. Like in most other industries, opportunity brings with itself competition. Sometimes it leads to price cutting as well.	Your company continuously efforts to enhance the brand image by focusing on R&D, quality, Cost, timely delivery and customer service. By introducing new services commensurate with customer demands, your company plans to mitigate the risks so involved.
Interest rate risk	Any increase in interest rate can affect the finance cost.	Your company has a very competent finance department which constantly keeps their eyes on the Money market to ensure no opportunity of low cost finance is lost and bring down the cost of finance to lowest possible level.
Credit Risk	Increase in working capital requirement due to delay in collection of receivables.	A well-defined process of credit approval is in place and business development team evaluate Credit worthiness through KYC and takes care of all Credit Customers & Contract Management.
Currency volatility	Your company has issued Foreign currency convertible bonds which is exposed to Foreign exchange fluctuations. Payment to freight forwarders and agents abroad are also prone to currency volatility.	FCCB issued are zero coupon bonds and repayable in 2016. Other Foreign Exchange fluctuations are monitored regularly and expert advise is regularly sought for mitigation of the same.

Internal Control Systems and their adequacy

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

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

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

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

The Audit Committee of the Board oversees the adequacy of the internal control environment through regular reviews of the audit findings and monitoring implementations of internal audit recommendations through the action taken reports submitted to them.

A gist of the significant features of the internal controls are:

- Your Company has established and maintained a framework of internal financial controls, implemented adequate procedures and compliance systems, which provide reasonable assurance regarding reliability of financial reporting and preparation of financial statements.
- The Audit Committee of the Board of Directors, comprising of independent directors and functional, regularly reviews the audit plans, significant audit findings, adequacy of internal financial control frame work and test reports, implementations of internal audit recommendations, compliance with accounting standards as well as reasons for changes in accounting policies and practices, if any;
- A well-established and independent Internal Audit team consisting of professionally qualified accountants and functional specialists who are empowered to examine/audit the adequacy, relevance and effectiveness of the control systems, test the key controls as per Internal financial controls, compliance with policies, plans and statutory requirements;
- As part of Internal financial Controls we have Process narratives and Risk Control Matrix for all of major business processes and testing thereof including financial closing, IT General Controls and Entity Level Controls;
- Continual programmes to reinforce the Code of Business Conduct & Ethics is done regularly across the organisation.

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

The Board takes responsibility for the overall process of risk management throughout the organisation. During the financial year ending March 31, 2016, your company has conducted an assessment of the effectiveness of the internal financial control over financial reporting and it has in place, adequate internal financial controls with reference to financial statements, commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

Human Resources @ Gati

We truly believe that Gati's biggest strength is its people, fondly called as Gati'ites, and is the single most important factor to ensure sustainable business growth and become 'Future Ready'. This is why we have a relentless focus on strengthening our talent management and employee engagement processes.

For effective and meaningful Human Resource management at Gati, we concentrate on all aspects of the employee lifecycle to provide a holistic experience to the Gati'ites. During their tenure with Gati, a Gati'ite is motivated through various skill development interventions, including job rotations, customized training programme and engagement and volunteering programs.

To ensure good mix of experience with fresh perspective, we have been focusing both on hiring high potential candidates from premier campuses and other companies as well as internal promotion to grow and nurture existing talent pool. We have a diverse talent base of 4000 plus high-calibre Gati'ites of which Gen Y comprises 65% of workforce. Our Learning & Development program is designed to fuel future ready resources through structured "Capability Development" initiatives aiming at creating domain expertise and Leadership capabilities across levels and functions. Our online and classroom based training interventions covered 4200 Gati'ites ensuring minimum two days of training for everyone.

We also strived to be more open, transparent and objective in our people processes. Through the annual employee engagement survey, a number of key focus areas were identified and many Gati'ite were invited and consulted to create action plan to address it. We encourage debate and open dialogue on various processes directly impacting Gati'ites which helps us to develop and improvise our people strategy for future.

Our people practices have received recognition at different forums and we are committed to provide professional and enabling working environment at all levels envisaging a boundary less workplace, ensuring free flow of ideas and information through unified organisation structure and defined processes. We are a non-discriminating employer ensuring our HR and CSR initiatives are devoid of any prejudices protected by law. Our affirmative actions include actively hiring women candidates, support hiring of differently abled and other CSR initiatives which touches more than 15000 lives.

Independent Auditor's Report

To the Members of Gati Limited

Report on Standalone Financial Statements

We have audited the accompanying standalone financial statement of **Gati Limited** ("the Company"), which comprise the Balance sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information for the year ended on that date in which are incorporated the returns for the year ended on that date audited by the branch auditor of the Company's branch in Nepal.

Management's Responsibility for the Standalone Financial Statements

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 standalone 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 Accounting Standards specified 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; 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.

Auditor's Responsibility

1. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
2. 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 there under.
3. 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 the standalone financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and 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 control 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 accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statement.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31st March, 2016 and its Profit and its Cash flows for the year ended on that date.

Emphasis of Matters

1. Note 30 of the financial statements regarding non provision against investments and other receivables from the subsidiary Zen Cargo Movers Pvt. Limited amounting to ₹36.22 lakhs and ₹ 122.61 lakhs respectively as in the opinion of management no provision is necessary considering the expected improvement in performance of the subsidiary in near future.
2. Note 31 of the financial statements regarding certain loans and advances to subsidiaries and an associate aggregating to ₹2366 lakhs in respect of which the management is confident of its recovery.
3. Note 32 of the financial statements regarding non provision for dues ₹1215 lakhs from a body corporate as the management is confident of its full recovery
4. Note 33 of the financial statements regarding non provision for diminution in the value of Investments of ₹ 39.92 crores in the share capital of subsidiary Gati Kausar India Limited as in the opinion of management no provision is necessary considering the expected improvement in performance of the subsidiary in near future.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, (hereinafter referred to as the "order"), and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
 - c) The report on the accounts of the branch office of the Company audited under section 143(8) of the Act by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report;
 - d) The standalone financial statements dealt with by this Report are in agreement with the books of account and with returns received from the branch not visited by us;
 - e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards Specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014 (as amended);
 - f) On the basis of the written representations received from the directors as on 31st March 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of section 164(2) of the Act.
 - g) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure "B".
 - h) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i) As detailed in Note 35, 37 and 40(a)(3) of the notes to the standalone financial statements, the Company has disclosed the impact of pending litigation on its financial statements.
 - ii) The Company did not have any long terms contract including derivative contracts for which there were any material foreseeable losses.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Camp: Hyderabad
Date: April 27, 2016

For R.S. Agarwala & Co.
Chartered Accountants
Firm's Regn. No.: 304045E

R.S. Agarwala
Partner
Membership No.: 005534

Annexure “A” to Independent Auditors’ Report of even date to the members of Gati Limited, on the standalone Financial Statements for the year ended 31st March, 2016.

Referred to in paragraph I under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even date.

1.
 - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets like land, building, vehicles, plant and equipments, computers etc.
 - b) We are informed that a test of physical verification of these assets was carried out by the management during the year and no material discrepancies were noticed. The management has informed us that in respect of other fixed assets like furniture and fittings, office equipment, having regard to their numbers and the numerous locations where these exist, maintenance of detailed records and reconciliation of their value in general ledger is not feasible.
 - c) The titles deeds of immovable properties, as disclosed in the financial statements, are held in the name of the Company except in respect of immovable properties situated at Nasik and Delhi.
2.
 - a) The management has conducted physical verification of inventory at reasonable intervals during the year.
 - b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
3. The Company has granted unsecured loans and advances to bodies corporate covered in the register maintained under section 189 of the Act.
 - a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
 - b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the principal and interest as stipulated.
 - c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section of 189 of the Act.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to loans and investments made.
5. In our opinion, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, in this regard.
6. The Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act in respect of any activities of the Company.
7.
 - (a) According to the information and explanation given to us and records of the Company examined by us, in our opinion the Company is regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income tax, service tax, custom duty, excise duty, value added tax, cess and any other statutory dues as applicable with the appropriate authorities.
 - (b) According to the information and explanation given to us, the dues outstanding in respect of income tax, sales tax, service tax, customs duty, excise duty, value added tax and cess on the account of any dispute, are as follows;

Nature of dues	Amount (in crores)	Forum where dispute is pending
Income Tax	28.52	Commissioner (Appeals)
Service Tax	2.87	Central Excise and Service Tax Appellate Tribunal

8. According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to any financial institutions or bank or Government during the year. The company has not issued any debentures.
9. The company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Therefore, the provisions of Clause 3(ix) of the said order are not applicable to the company.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such cases by the management during the course of our audit.
11. The company has paid /provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
12. The company is not a Nidhi Company.
13. The transactions with related parties are in compliance with the provisions of Section 177 and 188 of the Act. The details of the related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act , read with Rule 7 of the Companies (Accounts) Rules, 2014.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of Clause 3 (xiv) of the order are not applicable.
15. The Company has not entered into any non cash transactions with its directors or persons connected with him. Therefore, the provisions of Clause 3 (xv) of the order are not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Camp: Hyderabad
Date: April 27, 2016

For R.S. Agarwala & Co.
Chartered Accountants
Firm's Regn. No.: 304045E

R.S. Agarwala
Partner
Membership No.: 005534

Annexure B to The Independent Auditors' Report

Referred to in paragraph 2(g) of the Independent Auditors' Report of even date to the members of **Gati Limited** on the Standalone financial statements for the year ended 31st March, 2016.

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the companies Act, 2013.

We have audited the internal financial controls over financial reporting of Gati Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Camp: Hyderabad
Date: April 27, 2016

For R.S. Agarwala & Co.
Chartered Accountants
Firm's Regn. No.: 304045E

R.S. Agarwala
Partner
Membership No.: 005534

Balance Sheet as at 31st March 2016

(₹ in Million)

Particulars	Note	As at 31st March 2016	As at 31st March 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	175.45	174.96
Reserves and Surplus	2	6,052.54	6,025.62
		6,227.99	6,200.58
Non-Current Liabilities			
Long Term Borrowings	3	2,199.48	2,091.71
Deferred Tax Liabilities (Net)	4	40.61	28.20
Other Long Term Liabilities	5	12.18	12.03
Long Term Provisions	6	407.65	286.51
		2,659.92	2,418.45
Current Liabilities			
Short Term Borrowings	7	274.49	287.06
Trade Payables	8	314.20	251.63
Other Current Liabilities	9	806.56	686.35
Short Term Provisions	10	208.02	184.47
		1,603.27	1,409.51
Total		10,491.18	10,028.54
ASSETS			
Non - Current Assets			
Fixed Assets	11		
- Tangible Assets		1,279.51	1,276.67
- Capital Work in progress		33.73	15.83
Non-Current Investments	12	6,583.20	6,583.20
Long Term Loans and Advances	13	318.47	294.23
Other Non-Current Assets	14	7.66	17.17
		8,222.57	8,187.10
Current Assets			
Inventories	15	13.09	9.06
Trade Receivables	16	737.73	626.29
Cash and Cash Equivalents	17	204.40	125.17
Short Term Loans and Advances	18	1,313.39	1,080.92
		2,268.61	1,841.44
Total		10,491.18	10,028.54
The Notes form an integral part of these Financial Statements	1-43		

In terms of our Report of even date attached

For and on behalf of the Board

For R.S.Agarwala & Co.
Chartered Accountants
Firm's Regn No. : 304045E

Sanjeev Jain
Director Finance
DIN:05325926

KL Chugh
Chairman
DIN: 00140124

Mahendra Agarwal
Founder & CEO
DIN: 00179779

R. S. Agarwala
Partner
Membership No. 005534

VSN Raju
Company Secretary
M.No.A11701

N. Srinivasan
Director
DIN: 00004195

Camp: Hyderabad
Date: April 27, 2016

Statement of Profit and Loss for the year ended 31st March 2016

(₹ in Million)

Particulars	Note	Year Ended 31st March 2016	Year Ended 31st March 2015
REVENUE			
Revenue From Operations	19	4,851.54	4,432.50
Other Income	20	128.46	113.24
Total Revenue		4,980.00	4,545.74
EXPENSES			
Purchase of Stock-in-trade	21	1,825.17	1,982.55
Changes in Inventories of Stock-in-Trade	22	(4.03)	6.61
Operating Expenses	23	2,103.57	1,563.09
Employee Benefits Expenses	24	332.99	277.12
Finance Costs	25	175.31	139.24
Depreciation and Amortization Expense	26	161.88	100.89
Other Expenses	27	161.85	189.89
Total Expenses		4,756.74	4,259.39
Profit before Exceptional items and tax		223.26	286.35
Exceptional item			29.59
Profit before Tax		223.26	256.76
TAX EXPENSE			
Current Tax		12.59	-
Deferred Tax		12.41	17.97
Taxes for earlier Years		0.06	0.14
Profit for the year		198.20	238.65
EARNING PER EQUITY SHARE OF ₹2 each			
Basic		2.26	2.73
Diluted		1.67	2.02
The Notes form an integral part of these Financial Statements	I-43		

In terms of our Report of even date attached

For and on behalf of the Board

For R.S.Agarwala & Co.
Chartered Accountants
Firm's Regn No. : 304045E

Sanjeev Jain
Director Finance
DIN:05325926

KL Chugh
Chairman
DIN: 00140124

Mahendra Agarwal
Founder & CEO
DIN: 00179779

R. S. Agarwala
Partner
Membership No. 005534

VSN Raju
Company Secretary
M.No.A11701

N. Srinivasan
Director
DIN: 00004195

Camp: Hyderabad
Date: April 27, 2016

Notes to the Financial Statements

PARTICULARS	As at 31st Mar 2016	As at 31st Mar 2015
(I) SHARE CAPITAL		
Authorised		
12,50,00,000 Equity Shares of ₹2/- each	250.00	250.00
500,000 Redeemable Preference shares of ₹100/- each	50.00	50.00
	300.00	300.00
Issued, Subscribed and Paid-up :		
8,77,22,937 (Previous year 8,74,77,537) Equity Shares of ₹2/- each fully paid up	175.45	174.96

Terms/rights attached to equity shares

The Company has only one class of equity shares of par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share and ranks pari passu. The dividend proposed by the Board of Directors is subject to approval of the shareholders, except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their share holding.

Reconciliation of the number of shares outstanding

PARTICULARS	31st March 2016		31st March 2015	
	No. of shares	(Rupees)	No. of shares	(Rupees)
Shares at the beginning of the year	87,477,537	174.96	87,264,087	174.53
Allotted under Employee Stock Option Scheme	245,400	0.49	213,450	0.43
Shares at the end of the year	87,722,937	175.45	87,477,537	174.96

Details of shareholders holding more than 5 % shares

NAME OF SHARE HOLDERS	31st March 2016		31st March 2015	
	No. of shares held	% of Holding	No. of shares held	% of Holding
TCI FINANCE LTD	8,103,205	9.24	8,133,105	9.3
MAHENDRA INVESTMENT ADVISORS PVT LTD	-	-	3,735,991	4.27
RADHAKISHAN DAMANI	-	-	1,125,115	1.29
NEERA AND CHILDREN TRUST	5,599,995	6.4	5,599,995	6.4
MACQUARIE BANK LIMITED	5,000,000	5.72	5,000,000	5.72
	18,703,200	21.36	23,594,206	26.98

Shares reserved for issue under options and contracts/commitments

- i) 12,34,990 equity shares of ₹ 2 each are reserved under employee stock option scheme as on 31st March 2016 (Previous year 16,03,990). Of this 6,61,223 options, 4,37,417 Options and 1,36,350 options will vest in the year 2016-17, 2017-18 and 2018-19 respectively.
- ii) On December 12, 2011, the Company issued 22,182 Zero Coupon Unsecured Foreign Currency Convertible Bonds of US\$ 1,000 each for an amount of US\$ 22.18 Mn. The Bonds are convertible at any time on and after December 31, 2012 up to the close of business on November 13, 2016 by holders of the Bonds into fully paid equity shares with full voting rights with a par value of ₹ 2/- each at an initial conversion price of ₹38.51 per share with a fixed rate of exchange on conversion of ₹52.2285 to US\$. Unless previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed in US dollars at 132.8341 percent of principle amount on December 13, 2016 giving a Yield to Maturity of 5.76 percent per annum calculated on semi-annual basis.

Notes to the Financial Statements

(₹ in Million)

Particulars	As at 31st Mar 2016	As at 31st Mar 2015
2 RESERVE & SURPLUS		
Capital Reserves		
As per last balance sheet	208.39	208.39
	-	-
	208.39	208.39
Securities Premium Reserve		
As per last balance sheet	1,360.21	1,453.22
Add : Additions during the year (i)	8.25	7.17
Less: Deductions during the year (ii)	(121.14)	(100.18)
	1,247.32	1,360.21
Revaluation Reserve		
As per last balance sheet	59.55	59.55
	59.55	59.55
Share Option Outstanding account		
As per last balance sheet	27.16	20.53
Additions during the year (iii)	-	13.62
Less: Transferred to Securities Premium Reserve (i)	(1.87)	(1.62)
Less: Deduction on cancellation of options not exercised (iii)	(1.88)	(5.37)
	23.41	27.16
Special Reserve		
As per last balance sheet	2,521.30	2,759.74
Less: Adjustments during the year (Note 28)	-	(238.44)
	2,521.30	2,521.30
General Reserve		
As per last balance sheet	845.93	822.07
Add: Transferred from statement of profit and loss	19.82	23.86
	865.75	845.93
Tonnage Tax Reserve(Utilized)		
As per last balance sheet	92.91	92.91
	92.91	92.91
Foreign Currency Monetary Item Translation Difference Account		
As per last balance sheet	(113.96)	(125.69)
Add: Provided during the year	(83.01)	(55.27)
Less: Amortised during the year	116.09	66.99
	(80.88)	(113.97)
Surplus as per Statement of Profit and Loss		
As per last balance sheet	1,024.13	934.68
Add: Profit for the year	198.20	238.65
Less : Adjustment of Assets as per schedule II to the Companies Act 2013.	-	(2.95)
Less: Interim Dividend	-	(52.40)
Proposed Final Dividend	(87.72)	(69.98)
Transferred to General Reserve	(19.82)	(23.86)
	1,114.79	1,024.13
	6,052.54	6,025.62
(i) On allotment of 2,45,400(Previous Year 2,13,450) shares under Employee Stock Option Scheme and transferred from Stock Option Outstanding account.		
(ii) Provision for Pro-rata Premium on redemption of Foreign Currency Convertible Bonds.		
(iii) In respect of options granted under the Companies Employees Stock Options Scheme and in accordance with the guidelines issued by Securities and Exchange Board of India the accounting value of options(based on market value of share on the date of grant of options minus the option price) is accounted as deferred employees compensation which is amortised on a straight line basis over the vesting period. Consequently employee benefit expenses includes ₹ 7.24 Mn (previous year ₹ 8.17 Mn) being amortisation of deferred employee compensation after adjusting for reversal on account of options refunds/lapsed and re-imburement of discount on option issued to Employees of the subsidiary.		

Notes to the Financial Statements

(₹ in Million)

Particulars	As at 31st Mar 2016	As at 31st Mar 2015
3 LONG TERM BORROWINGS		
Secured		
Term Loans		
- From Banks	799.60	626.37
- From Others	-	0.28
	799.60	626.65
Unsecured		
- Fixed deposits	361.44	475.81
- Foreign Currency Convertible Bonds (Note 38)	1,471.40	1,388.39
	1,832.84	1,864.20
Total	2,632.44	2,490.85
Less: Current maturities of long term borrowings (Note 9)	(432.96)	(399.14)
	2,199.48	2,091.71
Particulars of Nature of Security / Terms of Repayment		
Term Loan from Bank		
Property situated at Samalka, Tehsil Vasant Vihar , New Delhi. (Repayable in 36 EMI starting from March 2013)	-	34.47
Property situated in Mahatma Gandhi Road, Secunderabad and Pimplas, Bhiwandi, Maharashtra	-	51.34
Property situated at Bhiwandi. (Loan Repayable in 8 quarterly installments of ₹ 20.00 Mn each starting from June 2016 after a moratorium period of 1 Year)	159.37	10.00
Property situated at Kondapur village, Ranga Reddy District.	395.08	228.49
a. Repayable in 16 Quarterly Installments of ₹ 15.63 Mn each commencing from August, 2014 after initial Holiday period of 1 year		
b. Repayable in 18 Quarterly Installments of ₹ 8.33 Mn each starting from July 2015 after a moratorium period of 6 months		
c. ₹180 Mn - Repayable in 99 months		
Hypothecation of Vehicles acquired against individual loans	1.40	2.07
Terms of repayment - As per Monthly EMIs		
Property situated at Nagpur and Bangalore (Repayable in 16 Quarterly Installments of ₹ 18.75 Mn each commencing from Sep 2015 after initial Holiday period of 1 year)	243.75	300.00
From Others	-	0.28
Hypothecation of Vehicles acquired against individual loans		
Terms of repayment - As per Monthly EMIs		
	799.60	626.65
4 DEFERRED TAX LIABILITY		
Difference between book and tax depreciation	40.61	28.20
	40.61	28.20
5 OTHER LONG TERM LIABILITIES		
Interest accrued on Fixed Deposits	12.18	12.03
	12.18	12.03
6 LONG TERM PROVISIONS		
Premium on redemption of Foreign Currency Convertible Bonds (Note 38)	407.65	286.51
	407.65	286.51

Notes to the Financial Statements

(₹ in Million)

	Particulars	As at 31st Mar 2016	As at 31st Mar 2015
7	SHORT TERM BORROWINGS		
	Secured		
	Working Capital Loans		
	From Bank	274.49	287.06
		274.49	287.06
	Particulars of Nature of Security		
	Working capital loan is secured by first charge on entire current assets of the company present and future, on pari passu basis with other banks along with immovable properties situated at Bhiwandi (Maharashtra), Verna Industrial Estate (Goa) and personal guarantee of Managing Director.	256.60	214.99
	Working capital loan is secured by first charge on entire book debts of the company on pari passu basis with other banks along with immovable properties in Chennai and Portblair as collateral security.	17.89	72.07
		274.49	287.06
8	TRADE PAYABLES		
	Payable to Subsidiaries	219.92	170.45
	Payable to Others	94.28	81.18
		314.20	251.63
9	OTHER CURRENT LIABILITIES		
	Current Maturities of Long Term Borrowings (Note 3)		
	- From Bank	261.71	230.23
	- From Others	171.25	168.92
		432.96	399.14
	Payable to a subsidiary	63.33	11.19
	Other Liabilities		
	- Statutory Dues	8.62	11.85
	- Rent Deposits from a subsidiary	60.61	60.61
	- Security Deposit from Others	27.27	25.15
	- Others Liabilities	208.72	173.42
	- Unpaid/Unclaimed dividends	5.05	4.99
	[₹ 0.68 Mn (Previous year ₹ 0.66 Mn) has been transferred to Investor Education and Protection Fund during the year]		
		806.56	686.35
10	SHORT TERM PROVISIONS		
	Provision for Employee Benefits	16.80	15.35
	Others		
	Taxation	103.50	99.14
	Proposed Final Dividend	87.72	69.98
		208.02	184.47

Notes to the Financial Statements

(11) FIXED ASSETS (₹ in Million)

Description	Gross Block			Depreciation				Net Carrying Value			
	As at 01.04.2015	Additions during the year	Deductions during the year	Balance as on 31.03.2016	As On 01.04.2015	For the Year	Adjustment on Deductions	Other Adjustment (b)	Total Depreciation	As at 31.03.2016	As at 31.03.2015
Tangible											
Land											
Freehold	521.25	-	-	521.24	-	-	-	-	-	521.25	521.25
Leasehold	103.38	-	-	103.38	1.10	1.10	-	-	2.21	101.17	102.27
Buildings	501.18	16.50	-	517.68	17.73	9.35	-	-	27.09	490.60	483.42
Vehicles	49.04	2.45	0.90	50.60	39.27	0.88	0.86	-	39.29	11.30	9.77
Plant & Equipment	19.42	0.32	-	19.75	1.68	1.31	-	-	2.99	16.76	17.74
Computers	78.31	9.47	0.22	87.56	23.15	19.36	0.15	-	42.36	45.20	55.15
Furniture & Fittings	95.65	16.92	-	112.57	30.21	8.03	-	-	38.24	74.33	65.44
Office Equipments	30.38	3.04	-	33.43	8.76	5.76	-	-	14.52	18.90	21.62
Total	1398.62	48.71	1.12	1446.21	121.92	45.79	1.01	0.00	166.70	1279.51	1276.67
Previous Year	771.76	636.23	9.37	1398.62	91.60	33.90	8.05	4.47	121.92	1276.67	
Capital Work-in-Progress										33.73	15.83
									Total	1313.24	1292.50

a) A part of Land & Buildings were revalued on 31st December, 1997, 29th June, 1999, and 31st March, 2000 and the resultant increases in the value of assets by ₹4.60 Mn, ₹14.13 Mn and ₹14.84 Mn Lakhs respectively and aggregating to ₹33.56 Mn was transferred to Revaluation Reserve.

b) Adjustment of depreciation as per schedule II of the companies act, 2013

Notes to the Financial Statements

(₹ in Million)

Particulars	As at 31st Mar 2016	As at 31st Mar 2015
12 NON CURRENT INVESTMENTS		
Long Term Investments (At Cost)		
Non-trade		
Fully Paid Equity shares of Joint Stock Companies		
Quoted		
1,600,300 shares of TCI Finance Ltd. of ₹10/- each. (Market Value - ₹31.10 Mn ; previous year - ₹53.21 Mn)	14.39	14.39
	14.39	14.39
Unquoted		
18,750,000 shares of Amrit Jal Ventures Private Ltd. of ₹10/- each. (Pledged with Institution for providing Financial Assistance to Amrit Jal Ventures Private Ltd.)*	187.50	187.50
18,000 shares of ITAG Infrastructure Ltd. of ₹ 10/- each	0.18	0.18
	187.68	187.68
Subsidiaries		
7,267,176 shares of Gati Asia Pacific Pte Ltd. of \$1 (SGD) each	275.04	275.05
5,212,526 shares of Gati Kausar India Ltd. of ₹10/- each (1,566,158 shares are pledged with institution as security for Bonds issued by Gati Kausar India Ltd.)	399.25	399.25
23,00,000 shares of Gati Import Export Trading Ltd. of ₹10/- each	23.00	23.00
362,163 shares of Zen Cargo Movers Pvt. Ltd. of ₹10/- each	3.62	3.62
3,50,000 shares of Gati Kintetsu Express Pvt Ltd. of ₹10/- each	5,510.00	5,510.00
4,800,000 shares of Gati Ship Ltd. of ₹10/- each	862.30	862.30
10,000 shares of Gati Logistics Parks Private Ltd. of ₹10/- each	0.10	0.10
10,000 shares of Gati Projects Private Ltd. of ₹10/- each	0.10	0.10
	7,073.41	7,073.42
Debentures :		
34,57,236 14.5% Unsecured Optionally Convertible Debentures of Amrit Jal Ventures Pvt Ltd. of ₹100/- each. (Issued in the year 2013-14 in repayment of loan of an equivalent amount)	345.72	345.72
9,93,354 14.5% Unsecured Optionally Convertible Debentures of Gati Infrastructure Sada- Mangder Power Private Limited of ₹100/- each (Issued in the year 2014-15 in repayment of loan and interest thereon of an equivalent amount granted by Gati Limited in earlier years to Gati Infrastructure Sada - Mangder Power Private Limited on the terms of subscription , redemption or conversion and other conditions as per Investment Agreement dated 6th May 2014.)	99.34	99.34
	445.06	445.06
Provision for Diminution in the value of Investments:		
i) Gati Asia Pacific Pte Ltd.	(275.04)	(275.05)
ii) Gati Ship Ltd.	(862.30)	(862.30)
	(1,137.34)	(1,137.35)
	6,583.20	6,583.20
*These shares are invoked by the institution and held in institution name. The matter is under litigation in a court of law and the company has been legally advised that the beneficial interest in such shares continues with the company		

Notes to the Financial Statements

(₹ in Million)

Particulars	As at 31st Mar 2016	As at 31st Mar 2015
13 LONG TERM LOANS AND ADVANCES		
Unsecured and Considered Good		
Loans and Advances to Subsidiaries	209.60	208.24
Loans and Advances to Others	74.89	77.14
Capital Advances	24.69	0.34
Advances and Rental Deposits	5.33	4.88
Earnest Money and Security Deposits	3.96	3.63
	318.47	294.23
14 OTHER NON CURRENT ASSETS		
Deferred employee stock option compensation	7.66	17.17
	7.66	17.17
15 INVENTORIES		
Diesel, Petrol, Lubricants etc. (At lower of cost and net realisable value) (As taken, valued and certified by the management)	13.09	9.06
	13.09	9.06
16 TRADE RECEIVABLES		
Unsecured		
Outstanding for more than six months from the due date		
Considered Good	7.07	7.14
Considered Doubtful	24.31	21.19
	31.38	28.33
Less : Provision for doubtful debts	(24.31)	(21.19)
	7.07	7.14
Others	730.66	619.15
	737.73	626.29
17 CASH AND CASH EQUIVALENTS		
Cash in Hand	44.06	48.00
Balances with Banks		
In Current Accounts	58.29	15.09
In Deposit Accounts	97.00	57.09
In Unpaid/Unclaimed Dividend Accounts	5.05	4.99
	204.40	125.17
18 SHORT TERM LOANS AND ADVANCES		
Unsecured and Considered Good		
Loans & Advances to Subsidiaries	18.02	29.15
Loans & Advances to an Associate	16.75	13.24
Loans & Advances to Other Parties	570.81	569.26
Prepaid Expenses	8.60	10.34
Cenvat Credit Receivable	13.59	11.66
Advances to employees	1.58	0.55
Interest Accrued	203.89	143.36
Tax Deducted at Source	364.01	299.29
Others	116.14	4.07
	1,313.39	1,080.92
In the opinion of the Board, assets other than fixed assets and non-current investment have a value on realisation in the ordinary business at least equal to the amount at which they are stated.		

Notes to the Financial Statements

(₹ in Million)

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
19 REVENUE FROM OPERATIONS		
Freight, Demurrage and Miscellaneous charges	2,857.67	2,199.10
Other Operating Income	121.79	204.11
Sale of Diesel, Petrol and Lubricants	1,872.08	2,029.29
	4,851.54	4,432.50
20 OTHER INCOME		
Rent	32.61	38.59
Profit on sale of assets	5.71	-
Interest	81.51	71.01
Liabilities no longer required written back	4.53	3.64
Difference in Exchange (Net)	4.10	-
(Includes Notional Gain of ₹ 5.71 Mn on restatement of dues)		
	128.46	113.24
21 PURCHASE OF STOCK-IN-TRADE		
Purchased during the year	1,825.17	1,982.55
	1,825.17	1,982.55
22 CHANGES IN INVENTORIES OF STOCK-IN-TRADE		
Inventories at the beginning of the year	9.06	15.67
Inventories at the end of the year	(13.09)	(9.06)
	(4.03)	6.61
23 OPERATING EXPENSES		
Freight	1,922.34	1,500.14
Vehicles' trip expenses	0.05	0.04
Other Operating Expenses	79.61	59.97
Claims for Loss & Damages (Net)	101.38	2.72
Vehicles' taxes	0.19	0.22
	2,103.57	1,563.09
24 EMPLOYEE BENEFIT EXPENSES		
Salaries and Bonus	312.82	257.08
Gratuity	-	1.61
Contribution to Provident and Other Funds	9.36	6.50
Contribution to Employees' State Insurance	1.17	0.95
Other Expenses	2.40	2.81
Expenses on Employee Stock Option scheme	7.24	8.17
	332.99	277.12
25 FINANCE COSTS		
Interest expenses	171.90	140.75
Other Borrowing Costs	3.41	2.09
Less: Capitalised during the year	-	(3.60)
	175.31	139.24
26 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation for the year	45.79	33.90
Add : Amortization of Foreign Currency Monetary Item	116.09	66.99
Translation Difference Account		
	161.88	100.89

Notes to the Financial Statements

(₹ in Million)

Particulars	Year Ended 31st March 2016	Year Ended 31st March 2015
27 OTHER EXPENSES		
A ADMINISTRATIVE EXPENSES		
Rent (a)	21.09	29.74
Rates and Taxes	8.54	5.77
Insurance	1.27	1.96
Telephone expenses	9.00	9.12
Printing and Stationery	5.78	6.52
Travelling expenses	11.79	15.15
Legal expenses	10.11	16.62
Advertisement Expenses	5.47	14.15
Office Maintenance and Repairs	14.94	9.92
Miscellaneous expenses (b)	61.33	64.73
Directors Sitting fees	1.85	1.91
Commission to Non-Whole-time Directors	2.10	2.10
Remuneration to Auditors:		
Audit Fees	0.51	0.57
Tax Audit Fees	0.30	0.30
Bad debts and irrecoverable balances written off (Net)	4.67	8.74
(Includes Provision for doubtful debts ₹ 4.58 Mn Previous year ₹ 7.53 Mn)		
Difference in Exchange (Net)	-	0.73
Loss on Sale of Fixed Assets (Net)	-	0.04
	158.75	188.07
B REPAIRS & MAINTAINANCE		
Motor Trucks	0.01	0.02
Other Vehicles	0.16	0.23
Plant and Equipments	0.37	0.20
Computers	2.56	1.37
	3.10	1.82
	161.85	189.89
(a) Includes paid to a Subsidiary ₹ 5.46 Mn (Previous year ₹ 17.52 Mn)		
(b) Includes Corporate social responsibility expenses ₹ 0.29 Mn (Previous Year 1.22 Mn)		

Notes to the Financial Statements

28. The Hon'ble Andhra Pradesh High Court, approved the Scheme of Arrangement for amalgamation. (The Scheme) vide its order dated 19th March, 2013 which interalia, permits creation of a capital reserve to be called Special Reserve to which shall be credited excess of value of assets over value of liabilities on amalgamation of the subsidiaries amounting to ₹5555.43 Mn to be utilized by the Company to adjust therefrom any capital losses arising from transfer of assets and certain other losses, any balance remaining in the Special Reserve shall be available for adjustment against any future permanent diminution in the value of assets and exceptional items etc. as specified in the scheme as the Board of directors may deem fit. In accordance with the Scheme an aggregate sum of ₹3034.10 Mn has been adjusted with the Special Reserve till the year 2014-15.
29. On transfer of Express Distribution and Supply Chain and Shipping businesses to separate subsidiaries in the year 2011-2012, the primary operating business of the Company sit in the Balance Sheet of the Company as investments and became major source of income by way of dividend. Accordingly, the Company has been advised that the dividend income of ₹84.0 Mn during the year from subsidiary (previous year ₹ 175.0 Mn) and Management Fees of ₹ 24.9 Mn during the year (Previous year ₹ 23.3 Mn) be considered as other operating income. This has no impact on the profit of the year.
30. The company has made investment in Share Capital of ₹ 3.62 Mn and has other receivables of ₹ 12.26 Mn (Previous year ₹14.76 Mn) due from the subsidiary Zen Cargo Movers Pvt. Ltd. The net worth of the subsidiary has been fully eroded because of losses suffered from year to year. The business of Zen Cargo is clearing agency business and is very closely related to the freight forwarding business of the parent company. The same is in the process of stabilization. The subsidiary will continue to have the required support from the holding company. The performance of the subsidiary is expected to improve in the near future. Under the circumstances no provision is considered necessary by the management at present for any diminution in the value of investments and also in respect of possible losses that may arise from other receivables from the subsidiary.
31. There are other amounts due from subsidiaries of ₹ 219.86 Mn (previous year ₹ 223.56 Mn) and from an Associate ₹16.75 Mn (previous year ₹ 13.24 Mn). The above includes ₹ 190.0 Mn utilised by the subsidiary for acquiring land. The management is confident of recovery of the amounts in due course and no provision is considered necessary for any possible losses that may arise in this behalf.
32. In an earlier year the Company has granted unsecured loan of ₹ 100 Mn to a body corporate out of which ₹ 82.50 Mn along with interest receivable of ₹ 39.0 Mn is receivable as on 31.03.2016. The net worth of the body corporate has fully eroded because of losses suffered from year to year. However, the management is confident of recovery of the balances due and interest receivable and therefore no provision is considered necessary for any possible losses that may arise in this behalf.
33. The company has investment of ₹ 399.25 Mn in equity share capital of the subsidiary Gati Kausar India Limited. On account of continuous losses incurred by the said company the value of investment by the company is eroded to a considerable extent. The performance of the subsidiary is expected to improve in the near future. Under the circumstances no provision is considered necessary by the management at present for any diminution in the value of investments and also in respect of possible losses that may arise from other receivables from the subsidiary.
34. Pursuant to the notification issued by the ministry of Corporate Affairs dated 29th December 2011 on Accounting Standard 11, the company has opted to adjust the carrying cost of depreciable fixed assets to amortize the exchange differences on the Long term Foreign Currency Monetary Items over their tenure. Accordingly as on March 31, 2016 ₹80.88 Mn has been carried forward in the "Foreign Exchange Monetary Translation Difference Account" (FCMITDA). Consequently the net profit is lower by ₹83.01 Mn for the year ended 31st March 2016.
35. Loans and Advances include ₹265.98 Mn due from Air India Limited. The matter was referred to arbitration of the Arbitral Tribunal and the Arbitral tribunal passed an Award dated 17th September 2013, directing Air India Limited to pay an amount of ₹268.20 Mn to the Company and to pay interest @18% per annum on the awarded amount. Air India preferred an application before the Hon'ble Delhi High Court seeking setting aside of the Award which directed Air India to deposit ₹ 220 Mn. Pending disposal of the appeal an amount of ₹ 220 Mn has since been made over to the company after the end of the year pursuant to the order of the division bench of the Honorable High Court of Delhi. In the circumstances, the dues from Air India Limited of ₹ 266.0 Mn included in Loans and Advances, are considered good for recovery by the management.
36. The Board of Directors of the company has allotted 1,17,400 equity shares on exercise of options by the employees under the employee stock option scheme and 1,28,000 equity shares to Non-Executive Directors at a premium of ₹26 per share. Consequently the Equity Share Capital of the company increased from 8,74,77,537 equity shares of ₹ 2/- each to equity shares 8,77,22,937 of ₹ 2/- each during the year.
37. The company is awaiting clarification from the Reserve Bank of India on various matters pertaining to Foreign Currency Convertible Bonds issued by the company. In the meanwhile the trustee of the bond holders has filed a civil suit in the Secunderabad Court for specific performance, which the company is contesting on various grounds. The matter is subjudice.
38. In accordance with terms of issue of Foreign Currency Convertible Bonds (FCCB) an amount of ₹1471.40 Mn together with premium on redemption thereof of ₹407.60 Mn are due to be payable to the bondholders in December, 2016. The classification of the same as Long Term Liabilities /Provisions has been continued as in earlier years because of the pending litigation as explained in note 37 above
39. With respect to the amendment by Payment of Bonus(Amendment) Act' 2015 with retrospective effect from 01-Apr-2014, The company has been legally advised that in view of the interim orders of several high courts including that of the Andhra Pradesh High court the above amendment with retrospective effect is bad in law and in all likelihood the retrospective applicability may be struck down. In the circumstances no provision for additional liability, if any, has been considered necessary in this behalf in the accounts for the year .

Notes to the Financial Statements

(₹ in Million)

40. SI. No.	Particulars	31st March 2016	31st March 2015
a) Contingent Liability not provided for in respect of			
1	Bank Guarantee	4.10	11.40
2	Guarantees and counter Guarantees outstanding	1149.50	1040.62
3	Income Tax demands disputed in appeals	285.25	560.91
b) Earnings per share			
1	Net Profit after tax available for the equity - Share holders- for Basic and Diluted EPS (₹ Mn)	198.20	238.65
2	Weighted Average no. of ordinary share for Basic EPS (Nos.)	8,77,22,397	8,73,03,268
	Add: Adjustments for Foreign Currency Convertible Bonds and Stock Options	3,08,45,999	3,10,84,030
3	Weighted Average no. of shares for ordinary shares for Diluted EPS (Nos.)	11,85,68,396	11,83,87,299
4	Nominal Value of ordinary shares (₹)	2.00	2.00
5	Basic Earnings for ordinary shares (₹)	2.26	2.73
6	Diluted Earning for ordinary shares (₹)	1.67	2.02

41. Related Party Disclosures

a) Related parties with whom transactions have taken place during the year

i Directors / Key Managerial Personnel(KMP):

1. Mr. Mahendra Agarwal (Founder & CEO)
2. Mr. Sanjeev Kumar Jain (Director - Finance)
3. Mr.V S N Raju (Company Secretary)

ii Associates of the Company

1. Gati (Thailand) Ltd.
2. Gati Ship Ltd.(Formerly known as Gati Ship Private Limited)

iii Others

1. TCI Finance Ltd.
2. Giri Roadlines & Commercial Trading Pvt. Ltd.
3. Jubilee Commercials & Trading Pvt. Ltd
4. TCI Hi-ways Pvt. Ltd.
5. TCI Industries Ltd.
6. Mahendra Kumar Agarwal & Sons (HUF)
7. Mahendra Investment Advisors Pvt.Ltd.
8. Amrit Jal Ventures Private Ltd.
9. Gati Academy
10. TCI Infrastructure Finance Limited

iv Subsidiaries / Step Down Subsidiaries

1. Gati Asia Pacific Pte Ltd.
2. Gati Hong Kong Ltd.
3. Gati Cargo Express(Shanghai) Co. Ltd.
4. Gati Kausar India Ltd. (Formerly known as Kausar India Limited)
5. Gati Import Export Trading Ltd.
6. Zen Cargo Movers Pvt. Ltd.
7. Gati Kintetsu Express Pvt Ltd
8. Gati Logistics Parks Private Ltd.
9. Gati Projects Private Ltd.

Notes to the Financial Statements

b) Transactions carried out with related parties referred in (a) above, in ordinary course of business.

(₹ in Million)

SL	Nature of Transaction	Related Parties				
		Referred in a(i) above	Referred in a(ii) & a(iii) above	Referred in a(iv) above	As at 31st Mar 2016	As at 31st March 2015
A	Expenditure					
	Freight and Other Charges	-	5.71	600.08	605.80	438.80
	Sharing of Expenses	-	-	5.46	5.46	17.52
	Remuneration	13.49	-	-	13.49	10.90
	Directors Sitting Fee	1.85	-	-	1.85	1.91
	Manpower Expenses	-	207.16	-	207.16	158.77
B	Income					
	Freight and Other Charges	-	5.35	21.53	26.88	10.96
	Interest	-	50.27	2.40	52.66	67.52
	Rent & Management Fee	-	1.34	58.06	59.39	64.09
	Dividend Income	-	-	84.00	84.00	175.00
	Fuel Sales income	-	-	1.06	1.06	3.86
	Employee Compensation cost	-	-	0.38	0.38	0.29
C	Transaction during the period					
	Investments - made	-	-	-	-	146.28
	Investment - Sold	-	-	-	-	217.62
	Advances Written off	-	-	-	-	241.46
	Loans - Repaid	-	-	-	-	155.65
	Advances - Given	-	-	-	-	659.13
	Advances - Repaid	-	-	-	-	483.90
	Deposits Given	-	-	-	-	2.27
	Deposits Repaid	-	-	-	-	2.85
	Other Receipts and Payments (Net)	-	-	-	-	70.54
D	Balance as on 31.03.2016					
	Investments	-	1409.91	6211.11	7621.03	7720.54
	Sundry Debtors & Other Receivable	-	178.24	49.90	228.13	2.68
	Loans & Advances*	-	234.15	227.63	461.78	687.06
	Diminution in the Value of Investment	-	862.30	275.05	1137.35	1137.53
	Sundry Creditors	-	2.22	283.25	285.47	182.51
	Deposits and Advances (Taken)	-	31.21	60.61	91.82	60.61
	Corporate Guarantees	-	236.00	913.50	1149.50	1040.62

* Includes loan to a subsidiary Gati Asia Pacific Pte. Ltd ₹1,96,05,170 (maximum outstanding during the year ₹1,96,05,170).

42. Additional Information	31st March 2016	31st March 2015
Expenditure in Foreign Currency		
Travelling Expenses	1.08	0.11
Freight Expenses	98.86	111.52
Earnings in Foreign Currency		
Interest Income	2.40	1.48
Freight Income	32.96	10.21

Notes to the Financial Statements

43. Significant Accounting Policies:

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

Recognition of Income & Expenditure

- Income and expenditure are generally recognised on accrual basis in accordance with the applicable accounting standards and provision is made for all known losses and liabilities.
- Freight Income is accounted when goods are delivered by the Company to customers.
- Freight expenses are accounted when hired vehicles deliver goods to the Company at destination.
- Having regard to the size of operations and the nature and complexities of the company's business, freight received/paid in advance is accounted as income/expenses on payment and interdivisional transfers are eliminated.
- Year-end liability in respect of claims for loss and damages is provided as calculated by claims recovery agents.

Gratuity and Leave Encashment

A provision for gratuity liability to employees is made on the basis of actuarial valuation and paid to the approved Gratuity Fund and a provision for leave encashment is made on the basis of actuarial valuation. The Principal assumption used in determining gratuity and leave encashment for the company's plan are shown below.

Particulars	March 2016	March 2015
Discount Rate	9%	9%
Salary Increase	8%	8%
Employee Turnover	9%	9%
Average Balance Service (For Gratuity)	28.09 Yrs	27.05 Yrs

Provident Fund

Provident fund contribution is remitted to appropriate authority.

Superannuation Fund

Superannuation fund contribution is remitted to approved trust fund.

Fixed Assets

- Fixed Assets are stated at cost and / or at revaluation. Cost includes borrowing cost and indirect expenditure capitalized to the extent it relates to the construction activity or incidental thereto.
- Depreciation is provided on straight line method at rates specified in Schedule II to the companies Act, 2013. Depreciation on addition /deduction is calculated prorata from /to date of addition / deduction. Individual assets cost upto ₹5,000/- depreciated fully the year of acquisition.

Investments

Investment are stated at cost or at the fair value.

Inventories

Petroleum products are valued at lower of cost and net realisable value.

Foreign Exchange Transaction

- Foreign currency transactions are recorded at average rate for the month.
- Monetary items in foreign currency at the year end are converted in Indian currency at the year end rates. In terms of the amendments to Accounting Standard II on The Effects of Changes in Foreign Exchange Rates, exchange differences relating to long-term monetary items are dealt with in the following manner:
 - Exchange difference relating to the long term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to/deducted from the cost of the assets and depreciated over the balance life of the asset.
 - In other cases such differences are accumulated in a "Foreign Currency Monetary Item Transaction Difference Account" and amortised over the balance life of the long-term monetary item, not beyond 31 March 2020.
- Any Income or expenses on account of exchange difference either on settlement or transaction recognized in the Statement of Profit & Loss

Notes to the Financial Statements

- d) In respect of forward exchange contracts, the difference between the forward rate exchange rate at the inception of the contract is recognised as income or expenses over the contract.

Taxation

Income tax provision for tax is made for both current and deferred taxes. Provision for current income made on the current tax rates based on the working results of the year. The company provides for deferred tax based on the tax effect of timing difference resulting from the recognition of items in the accounts and in estimating its current tax provision. The effect on deferred taxes of a change in tax rate is recognised in the year in which the change is effected.

Impairment of Assets

Impairment of Assets are assessed at each balance sheet date and loss is recognised whenever recoverable amount of an asset is less than its carrying amount.

Signatures to Notes “1” to “43”

In terms of our Report of even date

For and on the behalf of the Board

For R.S.Agarwala & Co.
Chartered Accountants
Firm's Regn No. : 304045E

Sanjeev Jain
Director Finance
DIN:05325926

KL Chugh
Chairman
DIN: 00140124

Mahendra Agarwal
Founder & CEO
DIN: 00179779

R. S. Agarwala
Partner
Membership No. 005534

VSN Raju
Company Secretary
M.No.A11701

N. Srinivasan
Director
DIN: 00004195

Camp: Hyderabad
Date: April 27, 2016

Cash Flow Statement for the year ended 31st March, 2016

(₹ in Million)

PARTICULARS	31st March 2016	31st March 2015
(I) Cash flows from Operating Activities		
Net Profit After Tax	198.20	238.65
Add :		
Provision for tax	25.00	17.97
Net profit before taxation	223.20	256.62
Adjustment for Non-Cash and Non-Operating Items.		
Depreciation and Amortisation	161.88	100.89
Interest on borrowings (Net)	175.31	139.23
(Profit) / Loss on sale of fixed assets (Net)	(5.71)	0.04
Dividend Income	(84.00)	(175.00)
Interest Income	(81.51)	(71.01)
Rental income received	(32.61)	(38.59)
Operating profits before working capital changes	356.56	212.17
(Increase) / Decrease in Sundry debtors (Net of Bad debts)	(111.44)	(247.18)
(Increase) / Decrease in Inventories	(4.03)	6.62
(Increase) / Decrease in Loans & Advances	(232.45)	42.96
Increase / (Decrease) in Trade Payables	62.58	(18.77)
Increase / (Decrease) in Other Liabilities	86.81	17.49
Increase / (Decrease) in Short Term Borrowings	(12.58)	149.50
Increase / (Decrease) in Provisions	126.94	7.95
Cash generated from operations	272.39	(204.25)
(Income tax paid) Net tax refund received	8.02	(0.14)
Net Cash from Operating Activities	280.41	(204.39)
(II) Cash Flow from Investing Activities		
(Increase) / Decrease in Capital WIP	(17.90)	359.67
(Increase) / Decrease in Capital Advances (Net)	(24.35)	4.02
Purchase of investments	-	(0.03)
Sale of Investments	-	3.02
Interest received	73.49	71.01
Rent income	32.61	38.59
Dividend Income	84.00	175.00
Transfer/(Purchase) / Sale of Fixed Assets (Net)	(42.91)	(634.93)
Net Cash from Investing Activities	104.94	16.35
(III) Cash Flow from Financing Activities		
Proceeds from Issue of Share Capital	(0.49)	0.43
Increase / (Decrease) in Share Option	(1.88)	-
Increase / (Decrease) in Reserve	-	-
Increase / (Decrease) in Share premium	(121.14)	5.55
Receipt of Secured Loans	414.10	471.07
Repayment of Secured Loans	(241.20)	(198.24)
Public deposit	(114.36)	155.81
Dividend Paid (including dividend tax)	(69.98)	(113.48)
Interest on loans paid	(175.31)	(139.22)
Net Cash from Financing Activities	(310.21)	181.92

Foreign Currency Exchange Gain / (Loss)	4.10	0.73
Net Increase / (Decrease) in cash and cash equivalents (I + II + III)	79.23	(5.39)
Cash and Cash equivalents in the beginning of the year	125.17	130.56
Cash and Cash equivalents in the end of the year	204.40	125.17
Cash flow from Activities during the period	79.23	(5.39)

Notes :

1. Cash flow statement has been prepared under the indirect method as set out in Accounting Standard -3 issued by the Institute of Chartered Accountants of India
2. Previous period figures have been regrouped / reclassified, where ever necessary.

In terms of our Report of even date

For R.S.Agarwala & Co.
Chartered Accountants
Firm's Regn No. : 304045E

R. S. Agarwala
Partner
Membership No. 005534

Camp: Hyderabad
Date: April 27, 2016

For and on behalf of the Board

Sanjeev Jain
Director Finance
DIN:05325926

VSN Raju
Company Secretary
M.No.A11701

KL Chugh
Chairman
DIN: 00140124

N. Srinivasan
Director
DIN: 00004195

Mahendra Agarwal
Founder & CEO
DIN: 00179779



CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GATI LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying Consolidated financial statements of **Gati Limited** (herein after referred to as "the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

1. Our responsibility is to express an opinion on these Consolidated financial statements based on our audit.
2. 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 there under.
3. 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 the Consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated 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 accounting policies used and the reasonableness of the accounting estimates made by Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statement.

Opinion:

Based on our audit on consideration of reports of other auditors, on separate financial statements of the subsidiaries and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of the affairs of the Group as at 31st March, 2016 and its consolidated Profit and their consolidated Cash flows for the year ended on that date.

Emphasis of Matter

1. Note 30 of the consolidated financial statements in respect of the step down overseas subsidiary, a) Gati Hong Kong Limited has incurred a net loss of ₹ 12.01 lakhs (HK\$ 1,38,671) during the year ended 31st March 2016 and as of that date, the subsidiary's total liabilities exceeded its total assets by ₹ 226.20 lakhs (HK\$ 26,51,992) and b) the overseas subsidiary Gati Asia Pacific Pte Ltd has incurred net loss of ₹25,96,13,380 (SG\$ 53,10,077) during the year and has total liabilities exceeding the total assets as at 31st March, 2016 by ₹6,70,44,305 (SG\$ 13,71,310) which indicate the existence of material uncertainty giving rise to significant doubt as the two company's ability to continue as a going concern.
2. Note 31 of the consolidated financial statements regarding non provision for dues of ₹1,215 lakhs from a body corporate as the management is confident of its full recovery.

Our opinion is not qualified in respect of these matters.

OTHER MATTERS

We did not audit the financial statements of six subsidiaries (including four overseas subsidiaries/step down subsidiaries), included in the consolidated financial statements, which constitutes total assets of ₹112.09 crores as and net assets of ₹22.75 crores at 31st March, 2016, total revenue of ₹85.35 crores, net loss of ₹6.05 crores and net cash outflows amounting to ₹17.90 crores for the year ended on that date. These financial statements have been audited by the other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, to the extent they have been derived from such financial statements is based on solely on the reports of such other auditors.

Report on Other legal and Regulatory Requirements:

- I. 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 of the aforesaid consolidated financial statement;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statement have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards Specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014;
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2016, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group Companies is disqualified as on 31st March, 2016, from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial control over financial reporting of the Group and the operating effectiveness of such control, refer to our separate report in Annexure "A".
 - g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i) The consolidated financial statements disclose the impact of pending litigations as at 31st March, 2016 on the consolidated financial position of the Group- Refer Note 33, 35 and 41(a)(3) to the consolidated financial statements.
 - ii) The Group did not have any long terms contract including derivative Contracts for which there were any material foreseeable losses.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For R.S. Agarwala & Co.
Chartered Accountants
Firm's Regn. No.: 304045E

R.S. Agarwala
Partner
Membership No.: 005534

Camp: Hyderabad
Date: April 27, 2016

Annexure A to The Independent Auditors' Report

Referred to in paragraph 1(f) of the Independent Auditors' Report of even date to the members of **Gati Limited** on the consolidated financial statements for the year ended 31st March, 2016

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the companies Act, 2013.

We have audited the internal financial controls over financial reporting of Gati Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies as of 31st March, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the reports of the other auditors in respect of entities audited by them referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India as it appears from our examination of the books and records of the Holding Company and the reports of the other auditors in respect of entities audited by them.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, insofar as it relates to the six subsidiaries is based on the corresponding reports of the other auditors (also referred our “Other Matters” para of the Independent Auditors’ Report above). Our opinion is not qualified in respect of this matter.

Camp: Hyderabad
Date: April 27, 2016

For R.S. Agarwala & Co.
Chartered Accountants
Firm’s Regn. No.: 304045E

R.S. Agarwala
Partner
Membership No.: 005534

Consolidated Balance Sheet as at 31st March 2016

(₹ in Million)

PARTICULARS	NOTE	As at 31st March 2016	As at 31st March 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	175.45	174.96
Reserves and Surplus	2	5,459.67	5,311.91
		5,635.12	5,486.87
Minority Interest		887.41	803.83
Non-Current Liabilities			
Long Term Borrowings	3	2,903.10	2,709.38
Deferred Tax Liabilities	4	96.63	73.53
Other Long Term Liabilities	5	40.13	17.87
Long Term Provisions	6	407.65	286.51
		3,447.51	3,087.29
Current Liabilities			
Short Term Borrowings	7	1,371.79	1,243.34
Trade Payables	8	849.58	807.91
Other Current Liabilities	9	1,454.43	1,255.00
Short Term Provisions	10	954.41	754.28
		4,630.21	4,060.53
Total		14,600.25	13,438.52
ASSETS			
Non - Current Assets			
Fixed Assets	11		
Tangible Assets		2,888.67	2,916.40
Intangible Assets		35.73	20.96
Capital Work in progress		199.32	27.47
Goodwill on Consolidation		4,468.78	4,468.78
Non-Current Investments	12	647.14	647.14
Long Term Loans and Advances	13	396.55	333.28
Other Non-Current Assets	14	7.97	17.44
		8,644.16	8,431.47
Current Assets			
Current Investments	15	342.95	25.31
Inventories	16	51.45	34.84
Trade Receivables	17	2,912.38	2,668.85
Cash and Cash Equivalents	18	454.01	592.01
Short Term Loans and Advances	19	2,195.30	1,686.04
		5,956.09	5,007.05
Total		14,600.25	13,438.52
The Notes form an integral part of these Consolidated Financial statements	I - 43		

In terms of our Report of even date attached

For and on behalf of the Board

For R.S.Agarwala & Co.
Chartered Accountants
Firm's Regn No. : 304045E

Sanjeev Jain
Director Finance
DIN:05325926

KL Chugh
Chairman
DIN: 00140124

Mahendra Agarwal
Founder & CEO
DIN: 00179779

R. S. Agarwala
Partner
Membership No. 005534

VSN Raju
Company Secretary
M.No.A11701

N. Srinivasan
Director
DIN: 00004195

Camp: Hyderabad
Date: April 27, 2016

Consolidated Statement of Profit and Loss for the year ended 31st March 2016

(₹ in Million)

PARTICULARS	NOTE	As at 31st March 2016	As at 31st March 2015
REVENUE			
Revenue From Operations	20	16,670.26	16,481.10
Other Income	21	147.80	145.75
Total Income		16,818.06	16,626.85
EXPENSES			
Purchase of Stock-in-trade	22	2,182.19	2,333.12
Changes in Inventories of Stock-in-Trade	23	(19.53)	2.49
Operating Expenses	24	9,959.69	9,798.65
Employee Benefits Expenses	25	1,796.96	1,564.95
Finance Costs	26	424.82	419.20
Depreciation and Amortization Expense	27	383.20	331.76
Other Expenses	28	1,442.55	1,389.39
Total Expenses		16,169.88	15,839.56
Profit before Tax and Exceptional Items		648.18	787.29
Exceptional item		-	(29.59)
Profit before Tax		648.18	757.70
TAX EXPENSES			
Current Tax		132.70	155.25
Deferred Tax		23.10	36.74
Net Reversal of Previous Year's Taxes		0.06	0.14
Profit before Minority Interest		492.33	565.57
Less: Minority Interest		124.00	153.49
Profit for the year		368.33	412.08
EARNINGS PER SHARE (₹)			
Basic (₹)		4.21	4.72
Diluted (₹)		3.11	3.48
The Notes form an integral part of these Consolidated Financial statements	I - 43		

In terms of our Report of even date attached

For and on behalf of the Board

For R.S.Agarwala & Co.

Chartered Accountants
Firm's Regn No. : 304045E

R. S. Agarwala

Partner
Membership No. 005534

Camp: Hyderabad
Date: April 27, 2016

Sanjeev Jain

Director Finance
DIN:05325926

VSN Raju
Company Secretary
M.No.A11701

KL Chugh

Chairman
DIN: 00140124

N. Srinivasan
Director
DIN: 00004195

Mahendra Agarwal

Founder & CEO
DIN: 00179779

Notes to the Consolidated Financial Statements

(₹ in Million)

Particulars	As at 31st March 2016	As At 31st March 2015		
I SHARE CAPITAL				
Authorised				
12,50,00,000 Equity Shares of ₹2/- each	250.00	250.00		
500,000 Redeemable Preference shares of ₹100/- each	50.00	50.00		
	300.00	300.00		
Issued,Subscribed and Paid-up :				
8,77,22,937 Equity Shares of ₹2/- each fully paid up (Previous Year 8,74,77,537)	175.45	174.96		
Terms/rights attached to equity shares				
<p>The Company has only one class of equity shares of par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share and ranks pari passu. The dividend proposed by the Board of Directors is subject to approval of the shareholders, except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their share holding.</p>				
Reconciliation of the numbers of Shares outstanding				
PARTICULARS	As at 31st March 2016		As at 31st March 2015	
	No. of shares held	Amount	No. of shares held	Amount
Shares at the beginning of the year	87,477,537	174.96	87,264,087	174.53
Allotted under Employee Stock Option Scheme	245,400	0.49	213,450	0.43
Shares at the end of the year	87,722,937	175.45	87,477,537	174.96
Details of Shareholders holding more than 5% Shares				
Company Name	As at 31st March 2016		As at 31st March 2015	
	No. of shares held	% of Holding	No. of shares held	% of Holding
TCI FINANCE LTD	8,103,205	9.24	8,133,205	9.30
MACQUARIE BANK LIMITED	5,000,000	5.72	5,000,000	5.72
NEERA AND CHILDREN TRUST	5,599,995	6.40	5,599,995	6.40
MAHENDRA INVESTMENT ADVISORS PVT. LTD.			3,735,991	4.27
RADHAKISHAN DAMANI			1,125,115	1.29
	18,703,200	21.36	23,594,306	26.98
Shares reserved for issue under options and contracts/commitments				
<p>i) 12,34,990 equity shares of ₹ 2 each are reserved under employee stock option scheme as on 31st March 2016 (Previous year 16,03,990). Of this 6,61,223 options, 4,37,417 options and 1,36,350 options will vest in the year 2016-17, 2017-18 and 2018-19 respectively.</p>				
<p>ii) On December 12, 2011, the Company issued 22,182 Zero Coupon Unsecured Foreign Currency Convertible Bonds of US\$ 1,000 each for an amount of US\$ 22,182,000. The Bonds are convertible at any time on and after December 31, 2012 up to the close of business on November 13, 2016 by holders of the Bonds into fully paid equity shares with full voting rights with a par value of ₹ 2/- each at an initial conversion price of ₹38.51 per share with a fixed rate of exchange on conversion of ₹52.2285 to US\$. Unless previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed in US dollars at 132.8341 percent of principle amount on December 13, 2016 giving a Yield to Maturity of 5.76 percent per annum calculated on semi-annual basis.</p>				

Notes to the Consolidated Financial Statements

(₹ In Million)

Particulars	As at 31st Mar 2016	As at 31st Mar 2015
2 RESERVE & SURPLUS		
Capital Reserves		
As per last balance sheet	208.39	834.82
Less: Adjusted with Special Reserve	-	(626.43)
	208.39	208.39
Securities Premium Reserve		
As per last balance sheet	1,535.40	1,453.22
Add : Additions during the year (i)	8.25	201.16
Less: Deductions during the year (ii)	(143.25)	(100.18)
Less: Transfer to Minority Interest	4.42	(18.80)
	1,404.82	1,535.40
Revaluation Reserve		
As per last balance sheet	59.55	59.55
	59.55	59.55
Share Option Outstanding account		
As per last balance sheet	27.16	20.53
Additions during the year (iii)	-	13.62
Less: Transferred to Securities Premium Reserve (i)	(1.87)	(1.62)
Less: Deduction on cancellation of options not exercised (iii)	(1.88)	(5.38)
	23.41	27.15
Special Reserve		
As per last balance sheet	1,694.44	4,257.72
Less: Adjustments during the year (Note 29)	-	(2,563.28)
	1,694.44	1,694.44
General Reserve		
As per last balance sheet	973.95	892.58
Add: Transferred from statement of profit and loss	63.82	81.37
	1,037.77	973.95
Tonnage Tax Reserve (Utilized)		
As per last balance sheet	92.91	92.91
	92.91	92.91
Foreign Currency Translation Reserve		
As per last balance sheet	(2.54)	6.08
Add: Addition during the year	8.74	(8.62)
	6.20	(2.54)
Foreign Currency Monetary Item Translation Difference Account		
As per last balance sheet	(113.98)	(125.70)
Add: Provided during the year	(83.01)	(55.26)
Less: Amortised during the year	116.09	66.98
	(80.88)	(113.98)
Surplus as per Statement of Profit and Loss		
As per last balance sheet	836.60	62.14
Add: Profit for the year	368.32	412.08
Add: Dividend & Dividend Distribution Tax from Subsidiary of Previous year	-	112.84
Less : Adjustment of Depreciation as per Schedule II of Companies Act 2013	-	(33.70)
Interim dividend	-	(52.40)
Proposed Final dividend	(87.72)	(69.98)
Tax on dividend	(40.31)	(37.79)
Adjustment on account of desubsidiarization of Gati Ship Ltd.	-	500.60
Transfer of Loss to Minority Interest on dilution of Interest in Subsidiaries	-	24.22
Transferred to General Reserve	(63.82)	(81.37)
	1,013.07	836.64
	5,459.67	5,311.91

Notes to the Consolidated Financial Statements

- (i) On allotment of 2,45,400 (Previous Year 2,13,450) shares under Employee Stock Option Scheme and transferred from Share Option Outstanding account.
- (ii) Provision for Pro-rata Premium on redemption of Foreign Currency Convertible Bonds.
- (iii) In respect of options granted under the Companies Employees Stock Options Scheme and in accordance with the guidelines issued by Securities and Exchange Board of India the accounting value of options (based on market value of share on the date of grant of options minus the option price) is accounted as deferred employees compensation which is amortised on a straight line basis over the vesting period. Consequently employee benefit expenses include ₹7.24 Mn (previous year ₹ 8.17 Mn) being amortisation of deferred employee compensation after adjusting for reversal on account of options refunds/lapsed and re-imburement of discount on option issued to employees of the subsidiary.

(₹ In Million)

Particulars	As at 31st Mar 2016	As at 31st Mar 2015
3 LONG TERM BORROWINGS		
Secured:		
Debentures	590.00	240.00
Term Loan - Secured		
From Banks	1,219.05	1,358.01
From Others	1.56	21.40
Unsecured		
Fixed Deposits	361.44	475.81
Foreign Currency Convertible Bonds (Note 38)	1,471.40	1,388.39
	3,643.44	3,483.61
Less: Current Maturities of Long Term Borrowings (Note 9)	(740.34)	(774.23)
	2,903.10	2,709.38

Particulars of nature of security and terms of repayment		Secured to the Extent	
Nature of Security	Terms of Repayment	As at 31st March 2016	As at 31st March 2015
Secured Debentures Gati Kausar India limited issued 590 secured rated redemnable transferable, non-convertible Debentures of face value of ₹1 Mn, each fully paid. The Debentures are secured by way of first charge on certain fixed assets present and future of Gati Kausar India Ltd.	Debentures aggregating to ₹ 60 Mn, ₹ 180 Mn. and ₹ 350 Mn were issued in October 2014 , January 2015 and February 2016 respectively for tenure of 60 months from the date of drawdown and will be redeemed through bullet repayment at maturity, however the company has an option to redeem the Debentures, at the end of one year from date of allotment. The NCDs have coupon rate of 5.65% per annum (31st March, 2015: 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.	590.00	240.00
Secured Loans From Banks Property Situated at MG Road, Secunderabad and Pimpalas, Bhiwandi, Maharashtra	Repayable in 4 Quarterly Installments of ₹ 25 Mn and ₹ 37.5 Mn each starting from August, 2013 and December, 2014 respectively after a initial holiday period of 1 year	-	51.34

Notes to the Consolidated Financial Statements

Particulars of nature of security and terms of repayment		Secured to the Extent	
Nature of Security	Terms of Repayment	As at 31st March 2016	As at 31st March 2015
Property situated at Samalka, Tehsil Vasant Vihar, New Delhi.	Repayable in 36 EMI starting from March, 2013	-	34.47
Property situated at Kondapur village, Ranga Reddy District.	a. Repayable in 16 Quarterly Installments of ₹ 15.63 Mn each commencing from August, 2014 after initial Holiday period of 1 year b. Repayable in 18 Quarterly Installments of ₹ 8.33 Mn each starting from July 2015 after a moratorium period of 6 months c. ₹180 Mn - Repayable in 99 months	395.08	228.49
Property at Peenya, Bangalore. Subservient Charge on the current and fixed assets of the company with coverage up to 100% of the loan amount.	Initial term loan 500 Mn. Repayable in 16 Quarterly Installments of ₹ 31.25 Mn starting from June 2015 after a initial holiday period of 1 year. Initial term loan 250 Mn. Repayable in 8 Quarterly Installments of ₹ 31.25 Mn starting from Nov 2014 after a initial holiday period of 1 year.	213.23	463.23
Property situated at Binola	Repayable in 16 Quarterly Installments of ₹ 15.62 Mn each commencing from September, 2015 after initial Holiday period of 1 year.	34.38	50.00
Property situated at Bhiwandi , Goa	Repayable in 8 Quarterly Installments of ₹ 20 Mn each commencing from June 2016 after initial Holiday period of 1 year.	159.37	10.00
Hypothecation of Trucks & Vehicles against individual loans	Repayable in monthly installments	88.63	82.29
Property situated at Nagpur and Bangalore	(Repayable in 16 Quarterly Installments of ₹ 18.75 Mn each commencing from Sep 2015 after initial Holiday period of 1 year)	243.75	300.00
Property situated in Bangalore and Guwahati	Repayable in 36 EMI of ₹ 0.56 Mn each.	0.08	6.75
Loans are fully secured by hypothecation of specific vehicles against which loan is availed and corporate guarantee extended by Gati Limited.	Repayable in monthly installments	25.40	50.53
Loans are fully secured by hypothecation of specific vehicles against which loan is availed.	Repayable in monthly installments	59.12	80.91
From Others			
Loans are fully secured by hypothecation of specific vehicles against which loan is availed and corporate guarantee extended by Gati Limited.	Repayable in monthly installments	-	2.34
Loans are fully secured by hypothecation of specific vehicles against which loan is availed.	Repayable in monthly installments	1.56	19.06
		1,810.60	1,619.41

Notes to the Consolidated Financial Statements

(₹ In Million)

Particulars	As at 31st Mar 2016	As at 31st Mar 2015
4 DEFERRED TAX LIABILITIES		
Difference between books & tax depreciation	96.63	73.53
	96.63	73.53
5 OTHER LONG TERM LIABILITIES		
Interest Accrued	40.13	17.87
	40.13	17.87
6 LONG TERM PROVISIONS		
Premium of redemption of Foreign Currency Convertible Bonds	407.65	286.51
	407.65	286.51
7 SHORT TERM BORROWINGS		
Secured		
Working Capital Loans		
From Banks	1,371.79	1,243.34
	1,371.79	1,243.34
Particulars of Nature of Security		
Secured Working Capital Loan from Banks		
Secured by first charge on entire current assets of the company present and future, on paripassu basis with other banks along with immovable properties situated at Bhiwandi (Maharashtra), Verna Industrial Estate (Goa) and personal guarantee of Managing Director.	256.60	214.99
Secured by first charge on entire book debts of the company on pari passu basis with other banks along with immovable properties in Bhiwandi and Portblar as collateral security.	17.89	72.07
a) Secured by hypothecation of book debts and other current assets of the company on paripassu basis with all constorium banks as primary security.	1,076.35	945.91
b) Personal guarantee of the promoter of Holding Company Mr. Mahendra Agarwal, Corporate Guarantees of Holding Company along with immovable properties as collateral		
Secured by hypothecation of specific vehicles of the Company and charge on the current assets along with the corporate guarantee extended by Gati Limited.	19.92	0.48
Working Capital Loan from Bank secured by first charge on entire current assets of the company and equitable mortgage of specified immovable assets as collateral	1.03	9.89
	1,371.79	1243.34

Notes to the Consolidated Financial Statements

(₹ In Million)

Particulars	As at 31st Mar 2016	As at 31st Mar 2015
8 TRADE PAYABLES		
Acceptance (a)	356.64	452.12
Other Than Acceptances	492.94	355.79
	849.58	807.91
[(a) Under Vendor financing/discounting arrangements with the company's bankers on payment of interest and furnishing of corporate guarantee by Holding Company.]		
9 OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Borrowings (Note 3)		
From Banks	567.86	588.41
From Others	172.48	185.81
Other Liabilities		
- Statutory Dues	46.96	37.86
- Security Deposit	165.64	136.14
- Others	496.44	301.79
- Unpaid/Unclaimed Dividend [₹ 0.68 Mn (Previous period ₹0.66Mn) has been transferred to investor education and protection fund during the year.]	5.05	4.99
	1,454.43	1,255.00
10 SHORT TERM PROVISIONS		
Provision for Employee Benefits	136.99	92.53
Others		
- Taxation	689.38	567.78
- Proposed Final Dividend	87.72	69.98
- Tax on Dividend	40.32	23.99
	954.41	754.28

Notes to the Consolidated Financial Statements

(₹ in Million)

II FIXED ASSETS

Description	Gross Block			Depreciation			Net Carrying value			
	As on 01.04.2015	Additions During the Year	Deductions During the Year	Balance as on 31.03.2016	As on 01.04.2015	For the Period	Adjustment On Deductions	Other Adjustments (b)	Balance as on 31.03.2016	Balance as on 31.03.2015
Tangible										
Land										
Freehold	802.25	-	-	802.25	-	-	-	-	802.25	802.24
Leasehold	103.38	-	-	103.38	1.10	1.10	-	-	101.17	102.27
Buildings	954.20	18.37	-	972.57	41.35	16.49	-	-	914.73	912.83
Vehicles	352.22	56.71	19.54	389.38	152.56	43.64	9.51	-	202.69	199.66
Plant & Machinery	798.35	52.81	73.23	777.93	327.32	73.26	71.66	-	449.00	471.04
Computers	313.94	46.22	0.44	359.71	118.11	74.11	0.33	-	167.84	195.83
Furniture & Fittings	266.05	53.02	0.23	318.83	88.95	32.95	0.23	-	197.16	177.10
Office Equipments	160.32	15.77	0.48	175.61	104.90	17.32	0.42	-	53.83	55.43
Intangible										
Computer Software	51.44	23.01	-	74.44	30.47	8.24	-	-	35.73	20.96
Total (A)	3,802.14	265.89	93.93	3,974.11	864.76	267.11	82.16	-	1,049.71	2,937.36
Previous Year	5,716.31	1,244.05	3,158.22	3,802.14	1,922.35	264.78	1,392.71	70.34	864.76	3,793.95
Capital Work-in-Progress (B)									199.32	27.47
Total (A+B)									3,123.72	2,964.83

a) A part of the land & buildings were revalued on 31st December 1997, 29th June 1999 and 31st March 2000 and the resultant increases in the value of assets by ₹4.60 Mn, ₹14.13 Mn and ₹14.84 Mn respectively and aggregating to ₹33.56 Mn was transferred to Revaluation reserve

b) Adjustment of Assets as per schedule II of the Companies Act, 2013

Notes to the Consolidated Financial Statements

(₹ In Million)

Particulars	As at 31st Mar 2016	As at 31st Mar 2015
12 NON CURRENT INVESTMENTS		
Long Term Investment (At Cost)		
Non - Trade		
Fully Paid Equity Shares of Joint Stock Company		
Quoted		
1,600,300 shares of TCI Finance Ltd. of ₹10/- each. (Market Value - ₹31.04 Mn ; previous year - ₹53.21 Mn)	14.39	14.39
100 shares of SBI of ₹ 100/- each. (Market Value - ₹ 0.01 Mn; previous year ₹ 0.03 Mn)	0.01	0.01
Unquoted		
18,750,000 shares of Amrit Jal Ventures Pvt. Ltd. of ₹ 10/- each. (pledge with Institution for providing Financial Assistance to Amrit Jal Ventures Pvt. Ltd.)	187.50	187.50
18,000 shares of ITAG Infrastructure Ltd. of ₹ 10/- each.	0.18	0.18
Debentures		
34,57,236 14.5% Unsecured Optionally Convertible Debentures of Amrit Jal Ventures Pvt. Ltd. of ₹ 100/- each. (Issued in the year 2013-14 in repayment of loan of an equivalent amount)	345.72	345.72
9,93,354 14.5% Unsecured Optionally Convertible Debentures of Gati Infrastructure Sada-Mangder Power Pvt. Ltd. of ₹ 100/- each. (Issued during the year 2014-15 in repayment of loan and interest thereon of an equivalent amount granted by Gati Limited in earlier years to Gati Infrastructure Sada - Mangder Power Private Limited on the terms of subscription , redemption or conversion and other conditions as per Investment Agreement dated 6th May 2014.)	99.34	99.34
	647.14	647.14
13 LONG TERM LOANS AND ADVANCES		
Considered Good		
- Capital Advances	67.66	28.55
- Advances and Rental Deposits	225.26	206.33
- Earnest Money & Security Deposits	10.44	3.63
- Other Deposits	93.19	94.77
Considered Doubtful		
- Capital Advances	5.90	5.90
- Less: Provision for Doubtful Advances	(5.90)	(5.90)
	396.55	333.28
14 OTHER NON CURRENT ASSETS		
Pre Operative Expenses	0.31	0.27
Deferred Employees Stock Option Compensation	7.66	17.17
	7.97	17.44
15 CURRENT INVESTMENTS (Non-trade, unquoted, valued at cost)		
(31 March 2015: 252,929) units in ICICI Prudential Liquid Mutual Fund	-	25.31
1,236,820 units in ICICI Prudential Flexible income - daily dividend fund	130.77	-
100,458 units in Franklin India Treasury Management Account - Super Institutional Plan	100.53	-
1,104,213 units in Birla Sun Life - Cash Plus - Daily Dividend Regular Plan - Reinvestment	110.64	-
10,071 units in Birla Sun Life - Cash Plus - Daily Dividend Direct Plan - Reinvestment	1.01	-
	342.95	25.31

Notes to the Consolidated Financial Statements

(₹ In Million)

Particulars	As at 31st Mar 2016	As at 31st Mar 2015
16 INVENTORIES		
(As taken, valued and certified by the Management)		
Stores and Spare Parts	1.79	4.70
Diesel Petrol etc	13.08	9.06
Trading Goods	36.58	21.08
(At lower of cost and net relizable value)		
	51.45	34.84
These shares are invoked by the institution and held in institution's name. The matter is under litigation in a court of law and the company has been legally advised that the beneficial interest in such shares continues with the company.		
17 TRADE RECEIVABLES (Unsecured)		
Outstanding for more than six months from due date		
- Considered Good	98.65	81.50
- Considered Doubtful	83.78	54.95
	182.44	136.45
Less: Provision for doubtful debts	(83.78)	(54.95)
	98.65	81.50
Others	2,813.73	2,587.35
	2,912.38	2,668.85
18 CASH AND BANK BALANCES		
Cash in Hand	61.25	62.91
Balances with Bank		
- In Current Accounts	89.92	48.27
- In Deposit Accounts	297.79	475.84
- In Unpaid/Unclaimed Dividend Accounts	5.05	4.99
	454.01	592.01
19 SHORT TERM LOANS AND ADVANCES		
Unsecured and Considered Good		
Prepaid Expenses	62.48	56.70
Cenvat Credit Receivable	19.85	18.36
Loans and Advances to Other Parties	587.55	581.54
Operational Advances	129.01	57.84
Advances to Employees	5.34	2.99
Interest Accrued	208.71	158.66
Tax Deduction at Source/Advance Tax	1,040.71	780.52
Others	141.65	29.43
	2,195.30	1,686.04
(In the opinion of the Board, all the assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business atleast equal to the amount at which they are stated)		

Notes to the Consolidated Financial Statements

(₹ In Million)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
20 REVENUE FROM OPERATIONS		
Freight, Demurrage and Miscellaneous Charges	13,896.67	13,612.16
Warehousing, Logistics & Other Services	441.99	270.53
Shipping Freight, Charter Hire, Miscellaneous Charges	-	10.72
Other Operating Income	104.65	98.74
Sale of Products	2,226.95	2,488.95
	16,670.26	16,481.10
21 OTHER INCOME		
Rent	4.77	6.71
Profit on Sale of Fixed Asset (Net)	19.90	12.00
Dividend	3.35	1.57
Interest	108.58	93.81
Liabilities no longer required written back	4.53	10.47
Miscellaneous Income	6.67	21.19
	147.80	145.75
22 PURCHASE OF STOCK IN TRADE		
Diesel, Petrol, Lubricants	1,825.18	1,982.55
Others	357.01	350.57
	2,182.19	2,333.12
23 CHANGES IN INVENTORIES OF STOCK IN TRADE		
Inventories at the beginning of the year	30.14	32.63
Inventories at the end of the year	(49.67)	(30.14)
	(19.53)	2.49
24 OPERATING EXPENSES		
Freight	8,358.25	8,288.47
Vehicles' trip Expenses	341.76	457.42
Tyres and Tubes	8.98	13.48
Warehouse Rent	100.20	76.84
Other Operating Expenses	905.16	810.10
Claims for Loss & Damages (Net)	234.04	64.46
Commission	0.88	66.63
Vehicles' taxes	6.78	9.05
Vehicles' and ships Insurance	2.88	5.24
Power, Fuel and Water Expenses	-	4.69
Stores and Spare Parts Consumed	-	0.27
Transport and Warehousing	0.76	-
Port and Survey Expenses	-	2.00
	9,959.69	9,798.65
25 EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages and Bonus	1,682.59	1,442.18
Gratuity	18.00	29.00
Contribution to Provident and Other Funds	57.65	46.11
Contribution to Employees' State Insurance	6.41	7.34
Other Expenses	32.31	40.32
	1,796.96	1,564.95

Notes to the Consolidated Financial Statements

(₹ In Million)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
26 FINANCE COST		
Interest	418.99	415.27
Other Borrowing Costs	5.83	7.53
Less: Capitalised during the year	-	(3.60)
	424.82	419.20
27 DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation for the year	267.11	264.78
Add: Amortization of Foreign Currency Monetary Item Translation Difference Account	116.09	66.98
	383.20	331.76
28 OTHER EXPENSES		
A ADMINISTRATIVE EXPENSES		
Rent	476.37	383.91
Rates and Taxes	29.92	15.36
Insurance	12.54	13.41
Telephone Expenses	44.01	42.57
Printing and Stationery	33.33	40.63
Travelling Expenses	80.08	93.23
Legal Expenses	64.32	27.94
Advertisement Expenses	34.30	58.51
Office Maintenance and Repairs	208.07	192.27
Electricity Expenses	90.01	89.35
Remuneration to Directors	3.43	2.55
Commission to Non-Whole-Time Directors	3.12	3.40
Remuneration to Auditors:		
Audit Fees	2.60	2.69
Tax Audit Fees	1.29	0.98
Bad Debts and irrecoverable balances written off (Net) (a)	60.03	61.25
Difference in Exchange (Net)	-	0.61
IT Network Expenses	54.43	37.87
Charity and Donations	12.99	8.14
Miscellaneous Expenses (b)	178.10	260.80
(a) Includes provision for doubtful debts ₹35.21 Mn. (previous year ₹ 40.91 Mn)	1,388.94	1,335.47
(b) Includes expense for CSR activities ₹ 13.28 Mn (Previous year ₹ 9.13 Mn)		
B OTHER EXPENSES		
Motor Trucks	0.25	3.19
Other Vehicles	10.78	11.72
Plant and Equipments	6.52	4.70
Computers	35.69	32.91
Buildings	0.37	0.36
Ships	-	1.04
	53.61	53.92
	1,442.55	1,389.39

Notes to the Consolidated Financial Statements

- 29 The Hon'ble Andhra Pradesh High Court, approved the Scheme of Arrangement for amalgamation. (The Scheme) vide its order dated 19th March, 2013 which inter alia, permits creation of a capital reserve to be called Special Reserve to which shall be credited excess of value of assets over value of liabilities on amalgamation of the subsidiaries amounting to ₹555.54 crores to be utilized by the Company to adjust therefrom any capital losses arising from transfer of assets and certain other losses, any balance remaining in the Special Reserve shall be available for adjustment against any future permanent diminution in the value of assets and exceptional items etc. as specified in the scheme as the Board of directors may deem fit. In accordance with the Scheme an aggregate sum of ₹303.41 crores has been adjusted with the Special Reserve till the year 2014-15.
- 30 The step-down overseas subsidiary, a) Gati Hong Kong Limited has capital deficiency and has incurred net loss of ₹ 12,01,169 (HK\$ 1,38,671) during the year and has total liabilities exceeding the total assets as at 31st March, 2016 by ₹ 2,26,19,900 (HK\$ 26,51,992) and b) the overseas subsidiary Gati Asia Pacific Pte Ltd has incurred net loss of ₹25,96,13,380 (SG\$ 53,10,077) during the year and has total liabilities exceeding the total assets as at 31st March, 2016 by ₹6,70,44,305 (SG\$ 13,71,310), which indicate the existence of a material uncertainty giving rise to significant doubt as to the two company's ability to continue as a going concern. The ultimate parent company undertakes to provide continuing financial support to the above subsidiaries to meet their liabilities when they fall due. Accordingly, the financial statements do not require any adjustments relating to realization of the value of assets and to provide for any further liabilities.
- 31 In an earlier year the Company has granted unsecured loan of ₹ 10 crore to a body corporate out of which ₹ 8.25 crore along with interest receivable of ₹ 3.90 crore is receivable as on 31.03.2016. The net worth of the body corporate has fully eroded because of losses suffered from year to year. However, the management is confident of recovery of the balances due and interest receivable and therefore no provision is considered necessary for any possible losses that may arise in this behalf.
- 32 Pursuant to the notification issued by the ministry of Corporate Affairs dated 29th December 2011 on Accounting Standard 11, the company has opted to adjust the carrying cost of depreciable fixed assets to amortize the exchange differences on the Long term Foreign Currency Monetary Items over their tenure. Accordingly as on March 31, 2016 ₹8,08,82,206/- has been carried forward in the "Foreign Exchange Monetary Translation Difference Account" (FCMITDA). Consequently the net profit is lower by ₹8,30,07,262/- for the year ended 31st March 2016.
- 33 Loans and Advances includes ₹26,59,75,832 due from Air India Limited. The matter was referred to arbitration of the Arbitral Tribunal appointed by the parties and the Arbitral tribunal passed an Award dated 17th September 2013, directing Air India Limited to pay an amount of ₹26,82,00,000/- to the Company and to pay interest @18% per annum on the awarded amount. Air India preferred an application before the Hon'ble Delhi High Court seeking setting aside of the Award which directed Air India to deposit ₹ 22 crores. Pending disposal of the appeal the amount of ₹ 22 crores has since been made over to the company after the end of the year pursuant to the order of the division bench of the Honorable High Court of Delhi. In the circumstances, the dues from Air India Limited of ₹ 26.60 crores, included in Loans and Advances, are considered good for recovery by the management.
- 34 The Board of Directors of the company has allotted 1,17,400 equity shares on exercise of options by the employees under the employee stock option scheme and 1,28,000 equity shares to Non-Executive Directors at a premium of ₹26 per share. Consequently the Equity Share Capital of the company increased from 8,74,77,537 equity shares of ₹ 2/- each to equity shares 8,77,22,937 of ₹ 2/- each during the year.
- 35 The company is awaiting clarification from the Reserve Bank of India on various matters pertaining to Foreign Currency Convertible Bonds issued by the company. In the meanwhile the trustee of the bond holders has filed a civil suit in the Secunderabad Court for specific performance, which the company is contesting on various grounds. The matter is subjudice.
- 36 In accordance with the terms of issue of Foreign Currency Convertible Bonds (FCCB) an amount of ₹ 147.14 crore together with the premium on redemption thereof of ₹ 40.76 crore are due to be payable to the bond holders in December, 2016. The classification of the same as Long Term Liabilities/Provisions has been continued as in earlier years because of the pending litigation as explained in note 35 above.
- 37 With respect to the amendment by Payment of Bonus (Amendment) Act' 2015 with retrospective effect from 01-Apr-2014, The company has been legally advised that in view of the interim orders of several high courts including that of the Andhra Pradesh High court the above amendment with retrospective effect is bad in law and in all likelihood the retrospective applicability may be struck down. In the circumstances no provision for additional liability, if any, has been considered necessary in this behalf in the accounts for the year.

Notes to the Consolidated Financial Statements

38. Segment wise revenue, results and capital employed

Primary Business Segment

Express Distribution and Supply Chain: Covers Integrated cargo Services - Road Rail and Air Transportation

Shipping : Covers Sea Transportation

Fuel Stations : Covers Fuel Stations dealing in petrol, diesel and lubricants etc.

(₹ in Million)

Particulars	31st March 2016	31st March 2015
1. Segment Revenue (Net Sale / Income from each Segment)		
a) Express Distribution & Supply Chain	14,445.39	14,004.17
b) Shipping	-	17.32
c) Fuel Sales	1,872.09	2,029.29
d) Other Sales	355.93	463.89
Total	16,673.41	16,514.67
Less: Inter Segment Revenue	31.50	33.57
Net Sales / Income from Operations	16,670.26	16,481.10
2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)		
a) Express Distribution & Supply Chain	1,030.37	1,168.84
b) Shipping	-	(12.83)
c) Fuel Sales	43.32	32.43
d) Other Sales	(0.67)	18.05
Total	1,073.02	1,206.49
Less: Interest Expenses	424.82	419.20
Total Profit before tax and Exceptional Items	648.20	787.29
3. Capital Employed		
Segment Assets		
a) Express Distribution & Supply Chain	11,967.74	11,121.18
b) Fuel Stations	159.36	112.95
c) Unallocated/ Corporate/ Inter Segment	2,413.60	2,144.86
Total Assets	14,540.69	13,378.99
Segment Liabilities		
a) Express Distribution & Supply Chain	1,809.33	1,581.96
b) Fuel Stations	4.17	2.64
c) Unallocated/ Corporate/ Inter Segment	7,156.03	6,367.07
Total Liability	8,969.53	7,951.67
Capital Employed	5,571.17	5,427.32
Secondary Business Segment		
1. Segment Revenue (Net Sale/Income)		
a) India	16,385.98	16,191.36
b) International	354.13	354.59
Total	16,740.11	16,545.95
Less: Inter Segment Revenue	69.85	64.85
Net Sales/Income from Operations	16,670.26	16,481.10
2. Segment Results		
a) India	1,093.30	1,216.12
b) International	(20.28)	(9.60)

Notes to the Consolidated Financial Statements

(₹ in Million)

Particulars	31st March 2016	31st March 2015
Total	1,073.02	1,206.52
Less: Interest	424.82	419.20
Total profit before tax	648.20	787.31
3. Capital Employed		
Segment Assets		
a) India	12,011.27	11,110.73
b) International	115.84	123.41
c) Unallocated Corporate Assets	2,413.59	2,144.86
Total Assets	14,540.70	13,378.99
Segment Liabilities		
a) India	1,698.90	1,494.55
b) International	114.60	90.04
c) Unallocated Corporate Liabilities	7,156.03	6,367.07
Total Liabilities	8,969.53	7,951.67
Capital Employed	5,571.17	5,427.32

39 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associates / Joint Ventures.

(₹ in Million)

Name of the Enterprise	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (In Rupees)	As % of consolidated profit or loss	Amount (In Rupees)
Parent				
Gati Limited	95.48%	6,227.98	53.81%	198.20
Subsidiaries				
Indian				
1. Gati-Kintetsu Express Pvt. Ltd.	38.94%	2,539.58	119.46%	440.01
2. Gati Kausar India Ltd.	3.57%	232.94	-10.85%	-39.96
3. Gati Import Export Trading Ltd.	0.72%	47.14	0.37%	-1.36
4. Zen Cargo Movers Pvt. Ltd.	-0.10%	-6.66	0.08%	.28
5. Gati Logistics Parks Pvt. Ltd.	0.00%	0.10	-	-
6. Gati Projects Pvt. Ltd.	0.00%	0.10	-	-
Foreign				
1. Gati Asia Pacific Pte Ltd.	0.02%	1.25	-6.12%	-22.53
Minority interest in all subsidiaries	13.61%	887.41	33.66%	124.00
Associates				
Indian				
1. Gati Ship Ltd.	16.81%	1,096.15	5.74%	-21.13

Notes to the Consolidated Financial Statements

(₹ in Million)

40 Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

PART "A": SUBSIDIARIES														
Sl. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share-holding
1	Gati Asia Pacific Pte Ltd.	April-March	SGD = INR 48.8907	355.30	-422.34	1.78	68.83	-	34.53	-259.61	-	-259.61	-	100% held by Parent
2	Gati Hong Kong Ltd.	April-March	HKD = SGD 0.1774	29.37	-51.98	7.22	29.83	-	42.88	-1.20	-	-1.20	-	100% held by GAP
3	Gati Cargo Express (Shanghai) Co. Ltd.	April-March	RMB = SGD 0.2150	98.38	-87.33	75.62	64.79	-	235.05	-14.96	-	-14.96	-	100% held by GAP
4	Gati (Thailand) Co. Ltd.	April-March	THB = SGD 0.0384	9.39	-44.14	28.98	63.73	-	61.99	-2.28	-	-2.28	-	49% held by GAP
5	Gati-Kintetsu Express Pvt. Ltd.	April-March	INR	5.00	2,534.58	6,009.13	3,469.56	-	11,416.09	571.13	131.12	440.01	198.00	70% held by Parent
6	Gati Kausar India Ltd.	April-March	INR	74.58	158.36	998.70	765.76	342.95	494.32	-39.96	-	-39.96	-	79.86% held by Parent
7	Gati Import Export Trading Ltd.	April-March	INR	23.00	24.14	145.82	98.68	-	355.98	-1.69	-0.33	-1.36	-	100% held by Parent
8	Zen Cargo Movers Pvt Ltd.	April-March	INR	3.62	-10.29	6.36	13.02	-	5.05	2.13	-	2.13	-	100% held by Parent
9	Gati Logistics Parks Pvt. Ltd.	April-March	INR	0.10	-	190.14	190.04	-	-	-	-	-	-	100% held by Parent
10	Gati Projects Pvt. Ltd.	April-March	INR	0.10	-	0.17	0.07	-	-	-	-	-	-	100% held by Parent

I. Names of the subsidiaries which are yet to commence operations

Sl. No.	Name of the companies
1	Gati Logistics Parks Pvt. Ltd.
2	Gati Projects Pvt. Ltd.

Notes to the Consolidated Financial Statements

PART "B": ASSOCIATES AND JOINT VENTURES

(₹ in Million)

Sl. No.	Name of the Associate/ Joint Venture	Latest audited Balance Sheet date	Shares of Associate/ Joint Ventures held by the company on the year end			Description of how there is a significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit/loss for the year	
			No. of shares	Amount of Investment	Extent of holding %				Considered in consolidation	Not considered in consolidation
I	Gati Ship Ltd.	31st March, 2016	4,800,000	862.30	47.95%	There is no significant control over the company. So the results are not consolidated.	The company ceases to have significant control after the sale of stake of 12.09% on 16th May, 2014. Hence the same is not considered in consolidation.	525.61		-21.13

- I. Gati Ltd. sold 12% stake of Gati Ship Ltd. on 16th May, 2014 whereby the total holding from that day is reduced to 48% and thus has become an associate of the company. The loss of ₹ 14.09 Mn pertaining to the period from 1st April, 2014 to 16th May, 2014 has been considered in the financial results for the year ending 31st March, 2015.

Note: The accounts of the Subsidiary Companies have been audited by the respective statutory auditors and the financial statements of these Companies have been considered in the consolidation.

(₹ In Million)

41	Particulars	31st March 2016	31st March 2015
	(a) Contingent Liability not provided for in respect of		
	1) Bank Guarantees	45.68	56.05
	2) Guarantees and Counter Guarantees outstanding	1,149.50	1,040.62
	3) Income Tax demands disputed in appeals	308.94	560.91
	4) Estimated amount of contracts remaining to be executed on capital account and not provided for	103.77	1.20
	5) Lease Obligation	150.32	0.00
	6) Arrears of dividend on CCCPS excluding dividend distribution tax	0.28	0.19
		1,758.49	1,658.97
	(b) Earning per share		
	(i) Net profit after tax available for equity shareholders - for Basic and Diluted EPS (₹ Mn)	368.35	412.08
	(ii) Weighted average no. of ordinary shares for Basic EPS (Nos.)	87,722,937	87,303,268
	Add: Adjustments for Foreign Currency Convertible Bonds and Stock Options	30,845,999	31,084,030
	(iii) Weighted average no. of ordinary shares for Diluted EPS (Nos.)	118,568,936	118,387,299
	(iv) Nominal value of Ordinary Shares (₹)	2.00	2.00
	(v) Basic Earning per Ordinary Share (₹)	4.21	4.72
	(vi) Diluted Earning per Ordinary Share (₹)	3.11	3.48

Notes to the Consolidated Financial Statements

42 RELATED PARTY DISCLOSURE

Related parties with whom transactions have taken place during the period

i Directors / Key Management Personnel:

Mr. Mahendra Agarwal (Managing Director & CEO)
Mr. Sanjeev Jain (Director Finance)
Mr. VSN Raju (Company Secretary)

ii Relative of Key Management Personnel:

Mr. Anand Kumar Agarwal (Brother of Mr. Mahendra Agarwal)
Mr. Dhruv Agarwal (Son of Mr. Mahendra Agarwal)
Mr. Manish Agarwal (Son of Mr. Mahendra Agarwal)

iii Associates

1. Gati Ship Ltd. (formerly known as Gati Ship Pvt. Ltd.)

iv. Others

- | | |
|---|--|
| <p>1. Gati Intellect Systems Ltd.
3. Giri Roadlines & Commercial Trading Pvt. Ltd.
5. Gati Cargo Management Services Ltd.
7. TCI Industries Ltd.
9. ITAG Infrastructure Ltd.
11. Mahendra Investment Advisors Pvt. Ltd.
13. Coast to Coast Shipping Limited
15. Kintetsu World Express (India) Pvt. Ltd.
17. Share India
19. TCI Infrastructure Finance Limited</p> | <p>2. TCI Finance Ltd.
4. Jubilee Commercials & Trading Pvt. Ltd.
6. TCI Hi-ways Pvt. Ltd.
8. Mahendra Kumar Agarwal & Sons (HUF)
10. ITAG Business Solutions Ltd.
12. Amrit Jal Ventures Pvt. Ltd.
14. Gati Academy
16. TCI Telenet Solutions Pvt Ltd
18. Mandala Agribusiness Investment II Ltd</p> |
|---|--|

(₹ in Million)

SL	Nature of Transaction	KMP & Relative of KMP	Associates & Others	31st March 2016	31st March 2015
A	Expenditure				
	Rent	-	9.51	9.51	8.51
	Freight and Other Charges		66.95	66.95	67.35
	Manpower expenses		356.16	356.16	104.18
	Interest Expenses		15.35	15.35	4.12
	Premium on redumption of debenture		22.12	22.12	5.84
	Commitment Charges		6.27	6.27	.00
	Donation		3.60	3.60	3.60
	Directors Sitting Fee	2.47		2.47	3.00
B	Key Management Personnel				
	Remuneration	70.66		70.66	58.69
	Revenue				
	Freight and Other Charges		103.12	103.12	44.03
	Warehouse income		24.57	24.57	17.49
	Interest		50.27	50.27	66.04
	Rent & Management Fee		1.34	1.34	.00
C	Dividend paid		4.80	4.80	75.00
D	Transaction during the period				
	Investments made		350.00	350.00	99.34
	Investments sold			-	217.62
E	Balance at the year end				
	Investments		2,000.51	2,000.51	1,509.43
	Sundry Debtors		206.15	206.15	16.02
	Other Receivables		1.80	1.80	1.80
	Loans & Advances		234.15	234.15	446.64
	Diminution in the Value of Investment		862.30	862.30	862.30
	Sundry Creditors		11.91	11.91	4.95
	Deposits and Advances (Taken)	-	31.21	31.21	-
	Corporate Guarantee	-	236.00	236.00	-

Notes to the Consolidated Financial Statements

43 Significant Accounting Policies:

These consolidated financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

Recognition of Income & Expenditure

- a) Income and expenditure are generally recognised on accrual basis in accordance with the applicable accounting standards and provision is made for all known losses and liabilities.
- b) Freight Income is accounted when goods are delivered by the Company to customers.
- c) Freight expenses are accounted when hired vehicles deliver goods to the Company at destination.
- d) Having regard to the size of operations and the nature and complexities of the company's business, freight received/paid in advance is accounted as income/expenses on payment and interdivisional transfers are eliminated.
- e) Year-end liability in respect of claims for loss and damages is provided as calculated by claims recovery agents.

Gratuity and Leave Encashment

A provision for gratuity liability to employees is made on the basis of actuarial valuation and paid to the approved Gratuity Fund and a provision for leave encashment is made on the basis of actuarial valuation. The Principal assumption used in determining gratuity and leave encashment for the company's plan are shown below:

Particulars	Mar 2016	Mar 2015
Discount Rate	9%	9%
Future Salary Increase	8%	8%
Employee Turnover	9%	9%
Average Balance Service (For Gratuity)	28.09	27.05

Provident Fund

Provident fund contribution is remitted to appropriate authority.

Superannuation Fund

Superannuation fund contribution is remitted to approved trust fund.

Fixed Assets

- a) Fixed assets are stated at cost and / or at revaluation. Cost includes borrowing cost and indirect expenditure capitalized to the extent it relates to the construction activity or incidental thereto.
- b) Depreciation is provided on straight line method at rates specified in Schedule II to the Companies Act, 2013. Depreciation on addition/deductions is calculated prorata from/to the date of addition/deduction. Individual assets costing upto ₹5,000/- are depreciated fully in the year of acquisition.

Investments

1. Investments are stated at cost or at the fair values
2. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

Inventories

Petroleum products are valued at lower of cost and net realisable value.

Foreign Exchange Transaction

- a) Foreign currency transactions are recorded at average rate for the month.
- b) Monetary items in foreign currency at the year end are converted in Indian currency at the year end rates. In terms of the amendments to Accounting Standard II on The Effects of Changes in Foreign Exchange Rates, exchange differences relating to long-term monetary items are dealt with in the following manner:
 - i. Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to/deducted from the cost of the asset and depreciated over the balance life of the asset.
 - ii. In other cases such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance life of the long-term monetary item, not beyond 31 March 2020.

Notes to the Consolidated Financial Statements

- c) Any income or expense on account of exchange difference either on settlement or translation is recognized in the Statement of Profit & Loss.
- d) In respect of forward exchange contracts, the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expense over the life of the contract.

Taxation

Income Tax

Provision for tax is made for both current and deferred taxes. Provision for current income tax is made on the current tax rates based on the working results of the year. The company provides for deferred tax based on the tax effect of timing differences resulting from the recognition of items in the accounts and in estimating its current tax provision. The effect on deferred taxes of a change in tax rate is recognised in the year in which the change is effected.

Impairment of Assets

Impairment of Assets are assessed at each balance sheet date and loss is recognised whenever the recoverable amount of an asset is less than its carrying amount.

Consolidated Financial Statements have been prepared on the following principles:

- a) In respect of subsidiary company, the financial statements have been consolidated on line by line basis by adding together the book values of like items of Assets, Liabilities, Income and expenditure, after fully eliminating intra-group balances and intragroup transactions resulting in unrealized profits/losses, as per Accounting Standard 21 "Consolidated Financial statement", notified by Companies (Accounts) Rules, 2014.
- b) In case of foreign subsidiaries being non integral foreign operations, revenue items are consolidated at the average rate prevailing during the period. All the assets and liabilities are converted at the rate prevailing at the end of the period. Any exchange difference arising on consolidation is recognized in the "Translation reserve".
- c) The excess of cost to the company of its investment in Subsidiary and Associate is recognized in the financial statement as Goodwill, which is tested for impairment on every Balance Sheet date. The excess of company's share of equity and reserves of the Subsidiary and Associate companies over the cost of acquisition is treated as Capital Reserve.
- d) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- e) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- f) Minority's share of assets, liabilities, related reserves and profit/loss during the period have been consolidated together and has been shown under Minority interest with corresponding deduction from the respective line items of financials.

Signatures to Notes "1" to "43"

In terms of our Report of even date attached

For and on behalf of the Board

For R.S. Agarwala & Co.
Chartered Accountants
Firm's Regn No. : 304045E

Sanjeev Jain
Director Finance
DIN:05325926

KL Chugh
Chairman
DIN: 00140124

Mahendra Agarwal
Founder & CEO
DIN: 00179779

R. S. Agarwala
Partner
Membership No. 005534

VSN Raju
Company Secretary
M.No. A11701

N. Srinivasan
Director
DIN: 00004195

Camp: Hyderabad
Date: April 27, 2016

Consolidated Cash Flow Statement for the year ended 31st March, 2016

(₹ in Million)

PARTICULARS	31st Mar 2016	31st Mar 2015
(I) Cash Flows From Operating Activities		
Net Profit After Tax But Before Minority Interest	492.35	565.57
Add :		
Provision For Tax	155.85	192.13
Net Profit Before Taxation And Exceptional Items	648.20	757.70
Non-Cash Adjustment To Reconcile Profit Before Tax To Net Cash Flows:		
Depreciation And Amortisation Expense	383.20	331.76
Interest Expense On Borrowings (Net)	424.82	419.20
Profit On Sale Of Fixed Assets (Net)	(19.91)	(12.00)
Interest Income	(108.58)	(93.81)
Dividend Income From Mutual Fund Investments	(3.35)	(1.57)
Rental Income	(4.77)	(6.71)
Operating Profits Before Working Capital Changes	1,319.62	1,394.58
Changes In Assets And Liabilities		
Increase In Trade Receivables (Net Of Provision For Doubtful Debt)	(243.53)	(466.68)
(Increase)/Decrease In Inventories	(16.61)	1.67
Increase In Loans & Advances And Other Current Assets	(289.49)	(55.11)
Increase/(Decrease) In Short Term Borrowings	128.45	(12.74)
Increase In Trade Payables	41.67	110.84
Increase/ (Decrease) In Other Liabilities	255.55	73.23
Increase/ (Decrease) In Provisions	44.46	33.61
Cash Generated From Operations	1,240.12	1,079.41
Income Tax Paid	(260.19)	(218.14)
Net Cash Generated From Operating Activities	979.92	861.26
(II) Cash Flow From Investing Activities		
Payment Towards Capital Expenditure	(171.85)	359.61
Investment In Mutual Fund Units	(317.64)	(25.31)
Interest Income Received	108.58	93.81
Dividend Income Received From Mutual Fund Investments	3.35	1.57
Rent Income Received	4.77	6.71
Payment Towards Acquisition of Fixed Assets (Net)	(234.23)	(1,223.90)
Opening cash balance and loss of Investment in Gati Ship Limited Adjusted		22.62
Investments made/Sale proceeds		3.02
Net Cash From Investing Activities	(607.03)	(761.88)
(III) Cash Flow From Financing Activities		
Proceeds From Issuance of Share Capital (Inclusive of Securities Premium)	6.87	283.02
Proceeds From Issuance of Deposits	(114.37)	155.81
Proceeds From Issuance of Debentures And Long Term Borrowings From Banks And Others	115.40	388.13
Dividend Paid (Including Dividend Tax)	(93.97)	(235.50)
Interest Paid on Loans	(424.82)	(406.85)
Net Cash from Financing Activities	(510.89)	184.61
Net Increase / (Decrease) in cash and cash equivalents (I + II + III)	(138.00)	284.00

Cash And Cash Equivalents In The Beginning of The Year	592.01	308.01
Cash And Cash Equivalents In The End of The Year	454.01	592.01
Cash flow from activities during the period/year	(138.00)	284.00

Notes :

1. Cash flow statement has been prepared under the indirect method as set out in Accounting Standard -3 issued by the Institute of Chartered Accountants of India.
2. Previous year figures have been regrouped / reclassified, where ever necessary.

In terms of our Report of even date attached

For and on behalf of the Board

For R.S.Agarwala & Co.
Chartered Accountants
Firm's Regn No.: 304045E

Sanjeev Jain
Director Finance
DIN:05325926

KL Chugh
Chairman
DIN: 00140124

Mahendra Agarwal
Founder & CEO
DIN: 00179779

R. S. Agarwala
Partner
Membership No. 005534

VSN Raju
Company Secretary
M.No.A11701

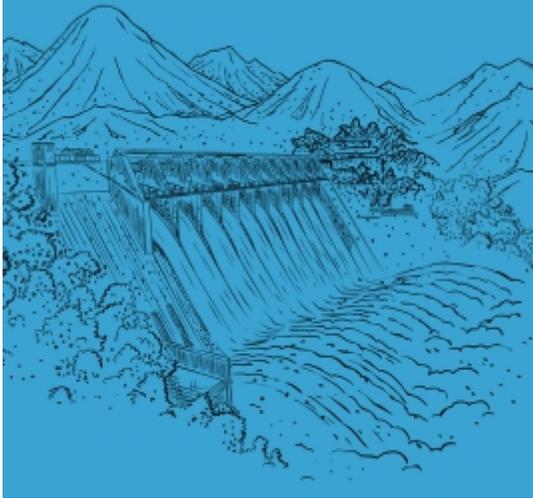
N. Srinivasan
Director
DIN: 00004195

Camp: Hyderabad
Date: April 27, 2016

How Gati creates value

Our Behaviour Sensitive Streamlining

Our strength lies in organised teamwork, and generating a smooth flow of cost-efficient and exceptional output, thereby fortifying our leadership status.



Our Attitude Elegant Customisation

Perfecting each stroke, to craft a customised masterpiece, going beyond customer expectations.



Our Action Domino Discipline

Creating a flawless chain of actions that form an elegant technique of achieving customer satisfaction.



Our Delivery Promise Ahead in Reach

Always staying ahead of the game, through our reach, determination and performance.



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Registered Office and Corporate Office

Gati Limited

Plot No. 20, Sy. No. 12, Kothaguda, Kondapur,
Hyderabad - 500 084, Telangana, India.

Tel: (040) 7120 4284, Fax: (040) 2311 2318

Email: investor.services@gati.com

Website: www.gati.com

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