

# ***GATI***



**DRIVING  
GROWTH  
TOWARD A  
GREENER  
PATH.**

**ANNUAL REPORT 2022-23**

# CORPORATE INFORMATION

## Board of Directors

Mr. Shashi Kiran Shetty  
Chairman and Managing Director

Mr. Nilesh Shivji Vikamsey  
Independent Director

Mr. Dinesh Lal  
Independent Director

Mr. Kaiwan Kalyaniwalla  
Non-Executive & Non-Independent Director

Mr. Hetal Madhukant Gandhi  
Independent Director

Ms. Vinita Dang Mohoni  
Independent Director

Mr. Ravi Jakhar  
Non-Executive & Non-Independent Director

Mr. Pirojshaw Sarkari  
Non-Executive & Non-Independent Director

## Key Managerial Personnel

Mr. Shashi Kiran Shetty  
Managing Director

Mr. Anish T Mathew  
Chief Financial Officer

Mrs. T. S. Maharani  
Company Secretary & Compliance Officer

## Members of the Committees

### Audit Committee

Mr. Nilesh Shivji Vikamsey, Chairman  
Mr. Kaiwan Kalyaniwalla, Member  
Mr. Dinesh Lal, Member  
Mr. Hetal Madhukant Gandhi, Member

### Nomination & Remuneration Committee

Mr. Dinesh Lal, Chairman  
Mr. Kaiwan Kalyaniwalla, Member  
Ms. Vinita Dang Mohoni, Member

### Risk Management Committee

Mr. Nilesh Shivji Vikamsey, Chairman  
Mr. Kaiwan Kalyaniwalla, Member  
Mr. Pirojshaw Sarkari, Member

### Stakeholders Relationship Committee

Ms. Vinita Dang Mohoni, Chairperson  
Mr. Kaiwan Kalyaniwalla, Member  
Mr. Dinesh Lal, Member

### Corporate Social Responsibility Committee

Mr. Kaiwan Kalyaniwalla, Chairman  
Mr. Dinesh Lal, Member  
Ms. Vinita Dang Mohoni, Member

### Auditors

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

### Bankers/Financial Institutions

IndusInd Bank Limited  
Axis Bank Limited  
State Bank of India Limited  
Canara Bank Limited

### Registered & Corp. Office

Western Pearl, 4th Floor,  
Survey No. 13(P), Kondapur,  
Hyderabad – 500084, Telangana, India  
Tel: 040 – 7120 4284

### Registrar and Share Transfer Agents

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

**Disclaimer:** We have exercised utmost care in the preparation of this report. It contains forecasts and/or information relating to forecasts. Forecasts are based on facts, expectations, and/or past figures. As with all forward-looking statements, forecasts are connected with known and unknown uncertainties, which may mean the actual results deviate significantly from the forecast. Forecasts prepared by the third parties, or data or evaluations used by third parties and mentioned in this communication, may be inappropriate, incomplete, or falsified. We cannot assess whether information in this report has been taken from third parties,

or these provide the basis of our own evaluations, such use is made known in this report. As a result of the above-mentioned circumstances, we can provide no warranty regarding the correctness, completeness, and up-to-date nature of information taken, and declared as being taken, from third parties, as well as for forward-looking statements, irrespective of whether these derive from third parties or ourselves. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



# CONTENTS

## **CORPORATE OVERVIEW**

Business Outlook	03
ESG	04
Message from the Chairman	06
Financial Metrics	09
Board of Directors	10
Management Team	11
India's Leading end-to-end Logistics Solutions	12
Express Distribution	13
Contract Logistics Solutions	14
Air Freight	15
Special Services	16
Gati's CSR Vision	17

## **STATUTORY REPORTS**

Notice	18
Directors' Report	35
Report on Corporate Governance	52
Management Discussion and Analysis	68
Business Responsibility and Sustainability Report	74

## **FINANCIAL STATEMENTS**

### **STANDALONE**

- Independent Auditor's Report	100
- Balance Sheet	108
- Statement of Profit & Loss	109
- Cash Flow Statement	110
- Statement of Changes in Equity	112
- Notes to the Financial Statements	113

### **CONSOLIDATED**

- Independent Auditor's Report	161
- Balance Sheet	170
- Statement of Profit & Loss	171
- Cash Flow Statement	172
- Statement of Changes in Equity	174
- Notes to the Financial Statements	176

# DRIVING GROWTH TOWARD A GREENER PATH

For over three decades, Gati has been delivering progress with ingenious solutions, enabling enterprise with nationwide reach and agility.

As we strive forward with digitally-enabled logistics services, augmented reach, and world-class infrastructure, we are conscious of our commitment to Environment Social and Governance (ESG) norms and sustainability. It is a key guiding force that steers us to take strategic decisions that reduce ecological impact and empower businesses with green mobility.

Through collaborative, result-oriented action, we build on the dreams of a young, bold India, driving growth toward a greener path and protecting our planet for future generations.



# BUSINESS OUTLOOK

**With more than three decades of experience, Gati Limited (Gati), offers Express Distribution and Supply Chain Solutions to meet varied customer requirements. A commitment to facilitate our customers' business growth with excellent logistics services and green mobility, drives us to deliver customized solutions, designed to delight and provide a seamless experience.**

We have evolved to provide multiple services and solutions in logistics and distribution, to emerge as a market leader in varied segments. Backed by an extensive network across India, we offer services to more than 19,800 pin codes, covering 735 out of 739 districts in India, operating more than 1900 scheduled routes. Further, 1000 PIN Codes were moved from ESS to direct delivery during the year, augmenting reach and speed. Our integrated multi-modal transportation network comprising surface and air helps to ensure timely deliveries across the length and breadth of the country. Gati's PAN-India warehousing facilities also play a crucial role in offering customized Supply Chain Solutions to customers across verticals.

As part of Allcargo Group, Gati is geared to grow into a digitally-enabled market leader committed to contributing towards driving India's growth story forward.



Gati Genie



Digital Payments



Vehicle Tracking



Organization-wide ERP System

# ESG



With Care for Environment and Society enshrined in our core values, we have adopted a strategic approach to Environment, Social and Governance (ESG) norms. Under the expertise of our ESG knowledge partners, a dedicated ESG team works in collaboration with teams across India. Equipped with insights and empirical data provided by our AI powered ESG technology partner, we have mapped our ESG goals vis-à-vis carbon emissions to labour practices, human rights and cyber security.

As an express logistics company, reducing our carbon emissions is a top priority for us, for which we have taken considerable steps during the year. We have made significant investments in Electric Vehicles (EVs) and forged partnerships to provide other alternative fuel options with aim of converting our entire pick-up and delivery fleet to alternative fuel by 2025 and contributing to India's goal of being net-zero in carbon emissions by 2070. Giving direction our initiatives is our ESG goal of becoming carbon neutral by 2040.

## Our approach towards sustainability

### OUR CSR PILLARS

We take pride in our Corporate Social Responsibility (CSR) programs which are focused on uplifting and bringing a positive change in communities where we operate.

Our business is built on the foundation of sustained value creation for our stakeholders. As a result, we believe, it is not sufficient to concentrate solely on the bottom line. Instead, we recognize the importance of building and sustaining long-term reciprocal relationships with all our stakeholders. To maximize value creation for every stratum of society, our CSR activities are modelled around education, skill development, environment and disaster management during natural calamities.



### Education

Adopting government schools to facilitate infrastructure development, providing tools for enhanced learning and aiding a hygienic and safe learning environment with a focus on activities that foster physical and mental wellbeing.



### Rural Development Projects & Donations

Rural development is a dynamic process and we make significant contributions towards the improvement of economic and social infrastructure to improve rural health and skill development initiatives.



### Environment

We recognize the importance of environmental sustainability to lay the foundations for a successful business. We ensure optimum utilization of natural resources to meet present needs without jeopardizing the supply of resources for future generations.



### Community

We organize multiple welfare events to reach out to the marginalized sections of society. We strongly believe in creating awareness about healthcare and enabling sustainability within the community.

# MESSAGE FROM THE CHAIRMAN

## Dear Shareholders,

Conscientious actions to create value for shareholders, customers, and employees, give impetus to business, and reduce our impact on the environment, have defined the past year. Our strategies and operations have been aligned to Driving growth toward a greener path, and this has truly helped set us apart.

Therefore, it gives me great pleasure to present to you your company's performance highlights for the financial year FY 2022-23.

Total consolidated revenue for FY2022-23 stood at **INR 1746 crores** as compared to INR 1489 crores in FY 2021-22.

"Nothing is more powerful than an idea whose time has come", these words by Victor Hugo come to mind when I think of India. Having gone through exceptional challenges to emerge stronger, bolder and more ambitious, aided by prudent fiscal policies, India is on the cusp of a great many possibilities. With a 7.2% growth in GDP and the expansion of the economy to USD 3.75 trillion, we are now the fifth largest economy in the world. Further, it is expected that India will grow at a rate

of 6.6% per annum from 2023 to 2030. At the end of this period, India aspires to rank 25th in the World Bank's Logistics Performance Index, from the current rank of 38, as outlined in the visionary National Logistics Policy.

Finding its wings in the post-liberalization era when entrepreneurship and businesses got a new lease on life, the growth of Gati mirrors the growth of India over the last three decades. Gati has been enabling businesses with reach and bringing enterprise and markets closer, to significantly enhance the ease of doing business, through its express logistics, domestic air freight, contract logistics and special services. Since becoming a part of the Allcargo family, this resolve has only strengthened. For us to achieve our collective ambition of becoming a USD 5 trillion economy, India needs excellent logistics support, especially express distribution that can penetrate deep into India's heartland and help bridge the gap between urban and rural India. However, one-sided development can never be the answer. It needs to be accompanied by responsible action that goes beyond profit and extends to the wider community and environment as well. Only when we join hands and walk together can we rise to our collective aspiration of an Atmanirbhar Bharat. Gati has responded to this clarion call by implementing strategic initiatives during the year.

The ambitious and visionary PM Gati Shakti Masterplan requires robust express logistics to enable complete end-to-end connectivity across the logistics spectrum. At Gati we are not only willing but have taken considerable steps during the year to contribute to the government's aim of reduced logistics cost.

## Enhancing the ease of doing business

Any business looks at three key factors in its logistics – speed, reach and cost, and increasingly a fourth element is becoming integral, sustainability.

In FY2022-23 Gati took substantial measures to enhance the ease of doing business, while caring for people and environment.

Good infrastructure being vital to ensure the seamless movement of goods around the country, Gati has invested in a nationwide footprint of world-class facilities with a superhub in Bhiwandi that caters to the all-important economic zone of the Mumbai region, a Surface Transshipment Centre (STC) in the very heart of India, Nagpur, and another one enhancing its reach in the North-East in Guwahati.

The Farukhnagar STC, which was launched just two years ago is already simplifying cargo movement for the north bound goods traffic. With its existing facilities in the south of India, Gati has strengthened its presence in every zone in India.

Complementing the augmented infrastructure to boost speed and reach, Gati recently enhanced its direct coverage by moving 1000 PIN Codes from ESS to direct delivery, resulting in a significant coverage increase of 25%.

Speed being a key prerogative for businesses in India, Gati's surface express offerings are perfectly complemented by its air freight wing, Gati Air. Together, they form a formidable solution for time - urgent deliveries, especially in difficult terrain.

However, all levers moving the business forward are no longer purely physical. With the adoption of a digital-first

approach, a few years back, that saw the development of a WhatsApp chatbot and a Salesforce powered CRM, today AI powered route optimisation guides Gati's many deliveries across the country, saving time as well as resources.

All of these diverse services also unleash value for medium, small and micro enterprises (MSMEs), which are rightly called the backbone of the economy for contributing around 30% to India's GDP.

MSMEs bring stability to communities and create opportunities, where there were none. However, they need help in the form of reach and flexibility which is why we offer them customised services that cater to their niche requirements, enabling them to expand and grow.

## Gati to be carbon neutral by 2040

Care for Environment and Society is enshrined as a core value, making our focus on Environment, Social, and Governance (ESG) that much sharper. As an organization that is committed to protecting the environment, we are proud to say that we are enabling businesses with green mobility and that we also leading the industry in this endeavour.

It gives me great pride that Gati doesn't just support India's growth story but is also taking concrete steps towards achieving India's goal of being net-zero in carbon emissions by 2070, by converting its entire pick-up and delivery fleet to alternative fuel by 2025.

As a responsible corporate citizen, we embarked on our ESG journey last year. Following a meticulous process of collaboration, wherein we gathered on-ground information from facilities

and AI driven insights we gained empirical data which helps inform our ESG goals. Ranging from carbon emissions to labour practices and human rights and cyber security, we have mapped our ESG targets. I am particularly proud of our goal to be carbon neutral by 2040 and that Gati is already taking steps to achieve it.

To reduce carbon emissions, we have made significant investments in Electric Vehicles (EV), during the year. Over 100 EVs have been deployed in a phased manner across the country for first and last mile deliveries. To expand this capacity we further signed an MoU with clean energy solutions provider, Gentari, to add 500 electric cargo vehicles to our existing fleet.

We are also glad to be contributing to our marquee customers' carbon emission reduction goals. For IKEA, we have implemented EVs in Hyderabad and Bengaluru. Today, 61% of all deliveries from the IKEA Hyderabad store take place through electric vehicles. For Schneider Electric we provided a green solution – the use of alternative fuel, Compressed Natural Gas (CNG) powered trucks.

## Social and Governance imperatives

Our actions never take place in isolation, rather they have a cascading impact across the ecosystem.

Gati's initiatives to boost business, while prioritising ESG norms align with the mandates of organizations who are increasingly becoming cognizant of the role they play in creating a more equitable society, and that their growth is not separate from but rather intertwined with imperatives that impact people, the wider community, and the environment.

With a well-represented Board of Directors, and well-defined policies Gati follows exemplary governance practices that oversee its day-to-day functioning.

There is a clear focus on diversity and inclusion, with an aim to give more women the opportunity to flourish in what has traditionally been a largely male dominated industry. The Restart programme, now in its second year, is enabling women who have taken a break in their careers, for personal reasons, to rejoin the workforce, while 11 operating units have all-women shifts.

Further, through our CSR arm Avashya Foundation, we are creating tangible

change on the ground in the areas of Education, Environment, Health, Women Empowerment, Disaster Relief and Sports. We continue to support the government schools that Gati helped build in Hyderabad for local children.

Enabling young, female sportspersons to win laurels for India, we are supporting three talented lady golfers, Avani Prashanth, Pranavi Urs, and Sneha Singh. Avani and Pranavi have qualified to represent India at the Asian Games this year.

## Bold ambitions ahead

Gati has always contributed to the India growth story by helping businesses with unparalleled reach and excellent services. Over the last year, we have taken substantial steps to strengthen our value proposition by empowering businesses with green mobility, augmenting our reach with world-class facilities and enhanced direct coverage, digital initiatives to drive efficiency, and focus on ESG to make a difference as we look to fulfil our promise of becoming a Rs 3,000 crore business by 2025.

Regards,



**Shashi Kiran Shetty**

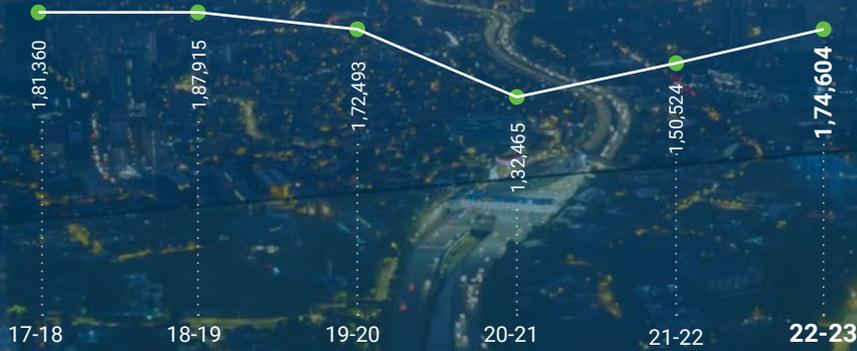
Chairman

# FINANCIAL METRICS

(Consolidated)

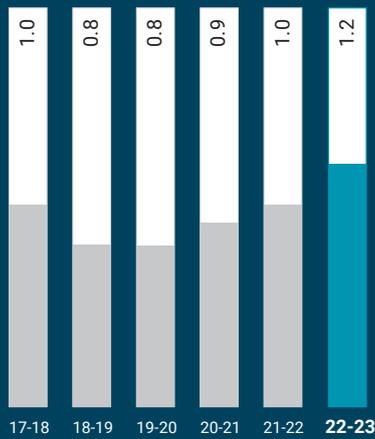
## Total Income

(₹ in Lakhs)



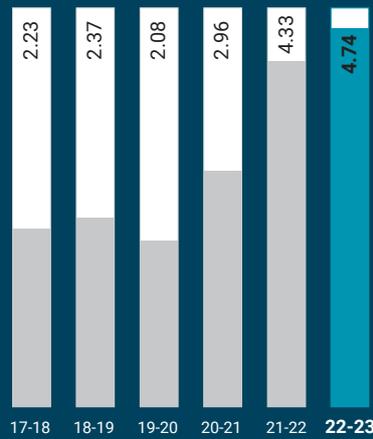
## Current Ratio

(in times)



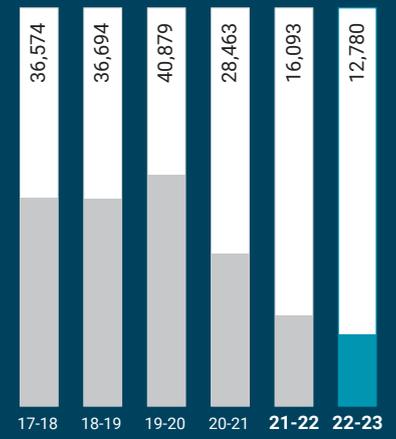
## Turnover on Capital Employed

(in times)



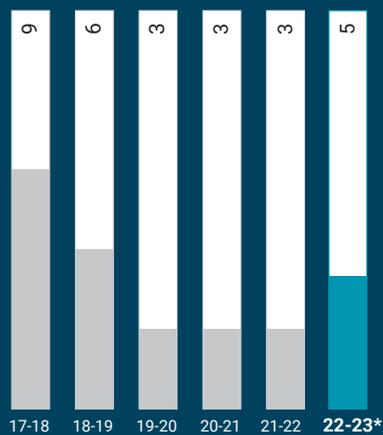
## Debt

(₹ in Lakhs)



## EBITDA

(%)



\*Before Exceptional Item

## EPS

(₹)



# BOARD OF DIRECTORS



**Mr. Shashi Kiran Shetty**  
Chairman and Managing Director



**Mr. Nilesh Shivji Vikamsey**  
Independent Director



**Mr. Dinesh Lal**  
Independent Director



**Mr. Kaiwan Kalyaniwalla**  
Non-Executive &  
Non-Independent Director



**Mr. Hetal Madhukant Gandhi**  
Independent Director



**Ms. Vinita Dang Mohoni**  
Independent Director



**Mr. Ravi Jakhar**  
Non-Executive &  
Non-Independent Director



**Mr. Pirojshaw Sarkari**  
Non-Executive &  
Non-Independent Director



For additional details  
scan the QR Code

# MANAGEMENT TEAM



**Mr. Pirojshaw Sarkari**  
Managing Director & Chief  
Executive Officer - GESPL



**Mr. G.S. Ravi Kumar**  
Chief Information Officer



**Mrs. T. S. Maharani**  
Company Secretary &  
Compliance Officer



**Mr. Mehernosh Mehta**  
Chief HR Officer



**Mr. Anish Mathew**  
Chief Financial Officer



**Mr. Shrikant Nikam**  
Vice President – Operations



**Rajesh Gowrinath**  
Senior Vice President - Sales

# INDIA'S LEADING END-TO-END LOGISTICS SOLUTIONS

**Express  
Distribution**

**Contract Logistics  
Solutions**

**Special Services**

**Air Freight**

Our end-to-end logistics solutions are designed to offer multi-modal services across road and air to over 19800 PIN codes of the country's districts. And with more than 500 pick-up points across India, backed by our commitment to technology, Gati is today a preferred partner for end-to-end logistics across India owing to the reach, speed, convenience and reliability it offers its customers.

- ▶ Truly end-to-end services with road and air movement, warehousing, and supply chain management
- ▶ Dedicated call centers with 24x7 support
- ▶ Experience across industries

# EXPRESS DISTRIBUTION

## Advantages

- Customized end-to-end logistics solutions
- Unparalleled reach to over 99% of India's districts
- State-of-the-art tracking services
- Quick and trusted claim process
- Over 5000 trucks
- Alternative fuel vehicles
- Over 600 offices
- Reverse logistics expertise
- On-time deliveries

Our Express Distribution brings you its multi-modal deliveries that covers over 19800 PIN codes of the country's districts. You can choose and customize distribution services based on your needs. Whether you need to move parcels, freight or special cargo, our cost-effective and time-sensitive services have you covered.

## Express Plus

A unique service that offers faster delivery compared to any average surface movement services. With direct route connectivity to major locations across India, you save on time and ensure safety for your shipments.

## Express

A cost-effective surface cargo movement for shipments that have a time-definite delivery schedule.

## Premium Plus

Specially designed service that promises delivery within 12 hours or before noon the next day, across all major ports in India.

## Premium

A cost-effective service that assures delivery within 24 hours, 48 hours and more than 48 hours through our multi-modal network across metros and non-metros in India.



# CONTRACT LOGISTICS SOLUTIONS



Our supply chain management solutions span over 65 warehouses across the country, including 3 E-Fulfillment centers that cater to sectors like E-Commerce, Hospitality, Healthcare and Electronics, among others. With each warehouse designed and built to meet global standards, our dedicated team of experts is backed by the latest in tools, technologies and processes designed for your advantage.

- **Shop floor automation**
- **Sophisticated racking system and conveyor belts**
- **World-class material handling**
- **Technology-enabled warehouses**

## Advantages

- Best-in-class Warehouse Management System
- Integrated warehousing and distribution
- Option of order and inventory-based models
- Inventory and purchase order management
- Customized solutions for multiple industries

# AIR FREIGHT

With a focus to safety and reliability - Gati Air brings a dedicated air freight service built on over 30 years of logistics and supply chain experience, and a commitment to moving your cargo across India's metros and non-metro cities alike. Our experience combined with our network and tie-ups with some of India's leading airlines give us an edge when it comes to safely and efficiently moving your cargo across India.

## Advantages

- Tie-up with India's leading commercial airlines
- Movement to urban and semi-urban cities
- Expertise in moving cargo weighing more than 5 kg
- Cost-effective solutions
- Guaranteed on-time delivery
- Direct connection to 34 commercial airports across the country

  
*Think Air. Think Gati*



# SPECIAL SERVICES



**Premium Flexilite**  
Air shipments for cargo up to 5 kg



**Laabh**  
Surface deliveries of cargo weighing up to 20 kg



**Surface Lite**  
Surface deliveries for cargo up to 5 kg



**Art Express**  
Special services for moving your priceless art pieces



**Student Express**  
Services with special discounts for students



**Bike Express**  
Dedicated services to move your bikes

# GATI'S CSR VISION

Gati has a rich and long history of giving back to society. Through its CSR arm, Avashya Foundation, inclusive initiatives are being implemented across different areas like Health, Education, Environment, Women's Empowerment, Disaster Relief, and sports. Initiatives in the sphere of health, revolve around affordability and accessibility of quality healthcare for the marginalised.

An important project providing a ray of light for young children is the support given to educational institutions in Hyderabad, enabling them to ensure better facilities and a better learning experience for children. The Gati Government High School, at Banjara Hills; the Zilla Parishad High School in Miyapur, Kardex Facilities Services Pvt Ltd. have been supported for many years now.

In the field of sports, Gati is sponsoring a young talented lady golfer, Sneha Singh, for three years. This support will help the promising athlete to train, participate in international tournaments and develop the skills and focus to represent India at a global level and win laurels for the country. Through its various activities like providing scholarships and counselling to deserving students, running skill development programmes, afforestation initiatives that also support farmers in tribal areas, supporting with construction of houses, and many others, Avashya Foundation and its network of NGO partners have made a difference to more than 400,000 lives.

In the coming years, the focus will be on creating greater impact and reaching out to more communities and individuals, through a variety of initiatives that serve those who need it the most.



# Notice

**NOTICE** is hereby given that the 28<sup>th</sup> (Twenty Eighth) Annual General Meeting ("AGM") of the Members of Gati Limited (CIN: L63011TG1995PLC020121) will be held on **Monday, September 04, 2023 at 3:00 P.M. (IST)** through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") for which purpose the Registered office of the Company situated at Western Pearl, 4<sup>th</sup> Floor, Survey No. 13(p), Kondapur Hyderabad Rangareddi - 500084, Telangana, India shall be deemed as the venue for the Meeting and the proceedings of the Annual General Meeting shall be deemed to be made thereat, to transact the following businesses:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2023 and the Reports of the Board of Directors and Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** the audited financial statements of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2023 and the Report of the Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended March 31, 2023 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

3. To appoint a Director in place of Mr. Kaiwan Kalyaniwalla (DIN: 00060776), who retires by rotation and, being eligible, offers himself for re-appointment and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Kaiwan Kalyaniwalla (DIN: 00060776), who retires by rotation at this meeting be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

## SPECIAL BUSINESS:

4. Appointment of Ms. Vinita Dang Mohoni (DIN: 01919140) as an Independent Director, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years commencing from June 05, 2023 to June 04, 2028.

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 sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act"), Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Ms. Vinita Dang Mohoni (DIN: 01919140), who was appointed as an Additional Director (Independent and Non-Executive) of the Company, with effect from June 05, 2023 under section 161 of the Act and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting of the Company and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Act proposing her candidature for the office of Director, being so eligible, be appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years commencing from June 05, 2023 to June 04, 2028.

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

5. Appointment of Mr. Hetal Madhukant Gandhi (DIN: 00106895) as an Independent Director, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years commencing from June 09, 2023 to June 08, 2028.

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 sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act"), Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Hetal Madhukant Gandhi (DIN: 00106895), who was appointed as an Additional Director (Independent and Non-Executive) of the Company, with effect from June 09, 2023 under section 161 of the Act and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting of the Company and who qualifies for being appointed as an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Act proposing his candidature for the office of Director, being so eligible, be appointed as an Independent Director of the Company, not liable to retire

by rotation, to hold office for a term of 5 (five) consecutive years commencing from June 09, 2023 to June 08, 2028.

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

6. Appointment of Mr. Pirojshaw Aspi Sarkari (DIN: 00820860), as a Non-Executive Non-Independent Director.

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

"**RESOLVED THAT** pursuant to the provisions of section 152 and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Pirojshaw Aspi Sarkari (DIN: 00820860), who was appointed by the Board of Directors as an Additional Director of the Company, with effect from June 09, 2023 under section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting of the Company in terms of section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, being so eligible, be appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

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

7. Appointment of Mr. Ravi Jakhar (DIN: 02188690), as a Non-Executive Non-Independent Director.

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

"**RESOLVED THAT** pursuant to the provisions of section 152 and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Ravi Jakhar (DIN: 02188690), who was appointed by the Board of Directors as an Additional Director of the Company, with effect from June 09, 2023 under section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting of the Company in terms of

section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, being so eligible, be appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

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

8. Change of name of the company from "Gati Limited" to "Allcargo Gati Limited" and consequential change in the Memorandum of Association of the Company.

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 4, 5, 13, 14 and 15 and all other applicable provisions, if any, of the Companies Act, 2013 read with applicable rules made thereunder (including any statutory modification(s) thereto and/or re-enactment(s) thereof, for the time being in force), provisions of the Memorandum and Articles of Association of the Company, and subject to the approval of the Ministry of Corporate Affairs, the Registrar of Companies, the consent of the members of the Company be and is hereby accorded for change of name of the Company from "**Gati Limited**" to "**Allcargo Gati Limited**" as made available by Ministry of Corporate Affairs (MCA).

**RESOLVED FURTHER THAT** upon issuance of the fresh certificate of incorporation by the Registrar of Companies or Statutory Authority consequent to change of name, Clause I of Memorandum of Association (MOA) of the Company be altered so as to read as under:

"i. The Name of the Company is '**Allcargo Gati Limited**'".

**RESOLVED FURTHER THAT** the extant name of the Company wherever appearing in the Memorandum of Association and Articles of Association be changed accordingly.

**RESOLVED FURTHER THAT** the Company shall cause to update all its public and corporate information and records, including but not limited to its website, stationary, visiting cards, signage and billboards, to reflect the new/changed name of the Company except for statutory compliances, if any.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, any of the Directors of the Company or the Chief Financial Officer or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things, as may be necessary, proper or expedient without being required to seek any further consent or approval of the Company or otherwise to the end and intent that they shall be deemed to have been given all necessary approval thereto expressly by the authority of this resolution."

9. Approval for the alteration in Articles of Association of the Company.

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 14 of the Companies Act, 2013 read with the rules framed thereunder (including any statutory modification(s) thereto and/or re-enactment(s) thereof, for the time being in force), the consent of the members of the Company be and is hereby accorded for alteration and adoption of new

set of the Articles of Association ("AOA") of the Company as specified in Table F of the Companies Act, 2013.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, any of the Directors of the Company or the Chief Financial Officer or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things, as may be necessary, proper or expedient without being required to seek any further consent or approval of the Company or otherwise to the end and intent that they shall be deemed to have been given all necessary approval thereto expressly by the authority of this resolution."

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

**T.S. Maharani**

(Company Secretary & Compliance Officer)  
Membership No: F8069

Place: Hyderabad

Date: August 04, 2023

**Registered & Corporate Office:**

Western Pearl, 4<sup>th</sup> Floor, Survey No. 13(p), Kondapur  
Hyderabad Rangareddi - 500084, Telangana, India

**Tel:** +91 040-7120 4284, **Fax:** +91 040-2311 2318

**CIN:** L63011TG1995PLC020121

**Website:** [www.gati.com](http://www.gati.com)

**Email:** [investor.services@gati.com](mailto:investor.services@gati.com)

**NOTES:**

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs, Government of India ("MCA") issued General Circular Nos. 20/2020, 02/2021, 19/2021, 21/2021 and 02/2022 dated May 05, 2020, January 13, 2021, December 08, 2021, December 14, 2021, May 05, 2022, General Circular No 10/2022 dated December 28, 2022 & General Circular No 11/2022 dated December 28, 2022, respectively, ("MCA Circulars") allowing, inter-alia, conduct of AGMs' through Video Conferencing/ Other Audio-Visual Means ("VC/ OAVM") facility till September 30, 2023, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. In compliance with these Circulars, provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 28<sup>th</sup> AGM of the Company is being conducted through VC/OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the 28<sup>th</sup> AGM shall be the Registered Office of the Company.
2. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND THE SEBI CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF THE AGM VENUE ARE NOT ANNEXED TO THIS NOTICE.

3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the act.
4. All the Members of the Company including retail individual investors, institutional investors, etc. are encouraged to attend the AGM through VC/OAVM mode and vote electronically. Corporate members intending to appoint their authorised representatives to attend and participate at the AGM, are requested to send to the Company, a certified copy (in PDF/ JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer at [pjandcofirm@gmail.com](mailto:pjandcofirm@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting on first-come first-served basis by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on the National Securities Depository Limited's ('NSDL') e-Voting website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The facility of participation at the AGM through VC/OAVM will be made available for 1,000 Members on a first come first served basis as per the MCA Circulars. The detailed instructions for joining the Meeting through VC/OAVM form part of the Notes to this Notice.
6. The Board of Directors have considered and decided to include the Item No. 4, Item No. 5, Item No. 6, Item No. 7, Item No. 8 and Item No. 9 given above as Special Business in the AGM.
7. In compliance with the aforementioned MCA and SEBI Circulars, Notice of the AGM along with the Annual Report for FY 2022-23 is being sent through electronic mode to those Members whose email addresses are registered with the Company/ Depository Participant. For members who have not registered their e-mail address and on request,

hard copies of the Annual Report 2022-23 are being sent in the permitted mode. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website [www.gati.com](http://www.gati.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of the National Securities Depository Limited ("NSDL"), service provider for voting through remote e-Voting, for participation in the 28<sup>th</sup> AGM through VC/OAVM facility and e-Voting during the 28<sup>th</sup> AGM at <https://www.evoting.nsdl.com/>.

8. The relative Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item No. 4, Item No. 5, Item No. 6, Item No. 7, Item No. 8 and Item No. 9 of the Notice, is annexed hereto. The relevant details, pursuant to Regulations

26(4) and 36 of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM are also annexed.

#### THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on September 01, 2023 (9:00 a.m. IST) and ends on September 03, 2023 (5:00 p.m. IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. August 28, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being August 28, 2023.

#### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

##### Step 1: Access to NSDL e-Voting system

- A) **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**  
In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail ID in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

NSDL Mobile App is available on

 App Store  Google Play



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user ID and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. *Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
  - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose e-mail IDs are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

## Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [pjandcofirm@gmail.com](mailto:pjandcofirm@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mr. Amit Vishal, Senior Manager – NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### Process for those shareholders whose email IDs are not registered with the depositories for procuring user ID and password and registration of e-mail IDs for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [investor.services@gati.com](mailto:investor.services@gati.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investor.services@gati.com](mailto:investor.services@gati.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user ID and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

### INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Accessing NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members are encouraged to express their views / send their queries in advance mentioning their name demat account number / folio number, e-mail ID, mobile number at [investor.services@gati.com](mailto:investor.services@gati.com). Questions / queries received by the Company till 5:00 p.m. on Saturday, September 02, 2023 shall only be considered and responded during the AGM.
6. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time for the AGM.

7. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-Voting, shall be eligible to vote through e-Voting system during the AGM.

**Other Instructions:**

- (a) 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. Monday, August 28, 2023. 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. A person who is not a member as on the cut-off date, should treat the Notice for information purpose only.
- (b) The login ID and password for e-voting is being sent to the 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.
- (c) The facility for voting, the Company has opted to provide the same electronic voting system at the Meeting, as used during remote e-voting, and the said facility shall be operational till all the resolutions proposed in the Notice are considered and voted upon at the Meeting and may be used for voting only by the members holding shares as on the cut-off date who are attending the Meeting and who have not already cast their vote(s) through remote e-voting.
- (d) 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 may obtain the User ID and password for e-voting by sending email intimating DP ID and Client ID / Folio No. at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) with a copy to [investor.services@gati.com](mailto:investor.services@gati.com). However, if you are already registered with NSDL for e-voting, you can use your existing User ID and password for casting your vote.
- The Register of members and share transfer books of the Company will remain closed from Monday, August 28, 2023 to Monday, September 04, 2023 (both days inclusive) for the purpose of AGM.
- (e) The Scrutinizer, after scrutinising the votes cast at the time of the meeting and through e-voting, will, within stipulated time, make a consolidated scrutinizer's report and submit the same to the Chairman not later than two working days from the conclusion of the AGM. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company i.e. [www.gati.com](http://www.gati.com) and on the website of NSDL i.e. <https://www.evoting.nsdl.com/>. The results shall simultaneously be communicated to the Stock Exchanges.
- (f) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. Monday, September 04, 2023.
- (g) Members whose shareholding is in electronic mode are requested to direct notifications about change of address and updates about bank account details to their respective depository participant(s) (DP).
- (h) All documents referred to in the accompanying Notice and the Explanatory Statement can be obtained for inspection

by writing to the Company at its email ID [investor.services@gati.com](mailto:investor.services@gati.com) till the date of AGM.

- (i) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, draft letters of appointment of Ms. Vinita Dang Mohoni and Mr. Hetal Madhukant Gandhi, amended Memorandum of Association and Articles of Association, Compliance certificate under Regulation 45(1) of Listing Regulations and the certificate from Secretarial Auditors of the Company certifying that the 'Gati - Employees Stock Appreciation Rights Plan - 2021' (ESAR 2021) are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulation, 2021, as amended, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. Monday, September 04, 2023. Members seeking to inspect such documents can send an email to [investor.services@gati.com](mailto:investor.services@gati.com).
- (j) The members who have not surrendered their old share certificates (Issued by the then Transport Corporation of India Limited, now known as TCI Industries Limited, the transferor Company, under the Scheme of Arrangement) are requested to surrender their old share certificates to TCI Industries Limited, 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.
- (k) Members holding shares in physical mode are:**
- i. Required to submit their Permanent Account Number (PAN) and bank account details to the Secretarial Department of the Company / Link Intime India Private Limited ("Link Intime"), Registrar and Share Transfer Agent of the Company, if not registered with the Company as mandated by SEBI.
  - ii. Advised to register the nomination in respect of their shareholding in the Company.
  - iii. Requested to register / update their e-mail address with the Secretarial Department of the Company / Link Intime for receiving all communications from the Company electronically.
- (l) Members holding shares in electronic mode are:
- i. Requested to submit their PAN and bank account details to their respective DPs with whom they are maintaining their demat accounts.
  - ii. Advised to contact their respective DPs for registering the nomination.
  - iii. Requested to register / update their e-mail address with their respective DPs for receiving all communications from the Company electronically.
- (m) Non-Resident Indian members are requested to inform Link Intime / respective DPs, immediately of:
- i. Change in their residential status on return to India for permanent settlement.

- ii. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- (n) Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Link Intime / Secretarial Department of the Company, in case the shares are held by them in physical form.
- (o) Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Link Intime / Secretarial Department, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
- (p) 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 interim dividend for the financial year 2015-16, to the Investor Education and Protection Fund (IEPF) established by the Central Government. Members who have not encashed their dividend warrant(s) so far for the financial year ended March 31, 2016 or any subsequent financial years are requested to make their claim to the office of Link Intime, Registrar and Share Transfer Agent, or the Nodal Officer of the Company, at the Company's registered office. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to IEPF. Shares on which dividend remains unclaimed for seven consecutive years will also be transferred to the IEPF as per Section 124 of the Act, read with applicable IEPF rules.
- (q) Pursuant to Section 101 and Section 136 of the Act 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 do the same by submitting a duly filled-in 'Shareholder Registration Form' available on the website of the Company i.e. [www.gati.com](http://www.gati.com). Alternatively, Members holding shares in physical mode and who have not registered/updated their e-mail addresses with the Company are requested to register/update their email addresses by sending a duly signed request letter to the Company's Registrar and Share Transfer Agent viz. Link Intime by providing Folio No. and Name of the Member or may also send an e-mail to Mrs. T.S. Maharani, Company Secretary at [investor.services@gati.com](mailto:investor.services@gati.com). 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.
- (r) The Company has transferred the unpaid or unclaimed dividends declared up to the interim dividend for the financial years 2015-16 to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on September 15, 2022 (date of the previous Annual General Meeting) on the website of the Company and the same can be accessed through the link: <https://www.gati.com/investor-relations/unclaimed-dividend-details/>. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in).
- (s) Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company is under the process of transferring the shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more to the IEPF Authority and which were due for transfer during the financial year 2023-24. Details of the shares to be transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link: <https://www.gati.com/investor-relations/unclaimed-dividend-details/>.
- (t) Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/investors are advised to visit the weblink: <http://www.iepf.gov.in/IEPF/refund.html> or contact Link Intime for lodging claim for refund of shares and / or dividend from the IEPF Authority.

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

##### Item No.4

##### Proposal:

The Board of Directors of the Company, pursuant to the recommendation of the Nomination and Remuneration Committee ("NRC") has proposed to the Members of the Company, the appointment of Ms. Vinita Dang Mohoni (DIN: 01919140) as Independent Director on the Board of the Company, not liable to retire by rotation, who shall hold office for a term of 5 (five) consecutive years commencing from June 05, 2023 to June 04, 2028. The Company has received notice in writing from a Member under section 160 of the Companies Act, 2013 ("the Act") proposing the candidature of Ms. Vinita Mohoni for the office of Director of the Company.

##### Process & Basis of Appointment:

The NRC evaluated profiles of various candidates as certain Independent Directors and identified skills, expertise and competencies required by the Board for the effective functioning of the Company. The NRC with a view to further strengthen the competencies of the Board and after considering criteria such as qualifications, skillsets, experience, independence, knowledge, ability to devote sufficient time and attention to the professional obligations of an Independent Director, shortlisted profiles of select candidates from a range of backgrounds including Corporate Professionals, Consultants and Industrialist. The process of shortlisting and selection of the new Independent Directors was carried out and concluded by NRC members who were Independent Directors and not considered interested in such proposals.

From the shortlisted candidates, the NRC selected and recommended to the Board, the appointment of Ms. Vinita Dang Mohoni as Independent Director of the Company taking the following factors into account:

Ms.Vinita is a senior management professional with over 30 years of marketing, advisory and strategic consulting experience. She has specific expertise in the consumer products and services industry and has been a consultant and advisor to CEOs and management of various organisations.

Vinita is passionate about ethics in advertising and is a CCC member of the prestigious Advertising Standards Council of India. She founded a thriving global community of over 7000 Women from IIM which is empowering women professionals.

- **2005-present:** She runs an independent consulting practice now at The Illuminati strategy consultants and serves with ASCI (since 2017).
- **1997-04:** Vinita was an Associate of Quadra Advisory, a Strategic Marketing Consultancy set up by legendary Shunu Sen and WPP, where she created compelling marketing strategies and trained middle/senior management of organisations in brand positioning and strategic thinking.
- **1994-97:** Vinita was part of a 3 member management team, as Head of marketing and sales, which set up

Kimberly-Clark Lever as the first global joint venture, between Kimberly Clark and Hindustan Unilever in India and shaped KCLL's entry strategy and launch of Huggies.

- **1993-94:** She was designated CEO of a proposed Joint Venture between the Thapar group and Triumph International.
- **1986-93:** She has held several positions at Procter & Gamble India including AAM (Marketing Head) P&G Health Care. She led marketing and cross functional teams to launch many successful brands with innovative ideas- among others, the successful launch of P&G's Whisper sanitary napkins in India achieving breakthrough market share in Year 1.
- **1982-85:** She started her career as brand manager at SmithKline Beecham (HMM) after her MBA.

Her international experience involved organisational roles in global teams and as Brand Manager on special assignment with P&G Japan.

She has attended the KPMG Board Collective and was a member of the core group WCD at FICCI FLO which supports women corporate directors.

Vinita is an Economics (Hons) graduate from Lady Shriram College, New Delhi and an MBA from IIM Ahmedabad. She completed her schooling from Modern School New Delhi.

#### Directorships and Committee positions:

Sr. No.	Name of the Company/Industry Body	Designation	Name of the Committee	Position held (Chairman/Member)
1.	Advertising Standards Council of India	Committee Member	Consumer Compliants Committee (CCC)	Member
2.	Allcargo Supply Chain Private Limited	Additional Non-Executive Independent Director	-	-
3.	Gati Express & Supply Chain Private Limited (formerly known as "Gati-Kintetsu Express Private Limited" w.e.f. July 27, 2023)	Additional Non-Executive Independent Director	Audit Committee Nomination & Remuneration Committee Corporate Social Responsibility Committee	Member Member Chairperson
4.	Gati Limited	Additional Non-Executive Independent Director	Nomination & Remuneration Committee Stakeholders Relationship Committee Corporate Social Responsibility Committee	Member Chairperson Member

**Resignation as a Director from Listed Entities in the past three years:** Ms. Vinita Dang Mohoni has not resigned as a Director from any listed entity in the past three years.

**Attendance at Board Meetings:** After her appointment on the Board as Additional Director on June 05, 2023, 1 Board Meeting of the Company was held till the date of this Notice and Ms. Vinita Dang Mohoni had attended the Meeting.

**Remuneration:** Ms. Vinita Dang Mohoni is entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof.

#### Other Information:

Ms. Vinita Dang Mohoni do not hold any Equity Shares in the Company.

Ms. Vinita Dang Mohoni is not disqualified from being appointed as Director in terms of section 164 of the Act and have given her consent to act as a Director. The Company has received declarations from Ms. Vinita Dang Mohoni stating that she meets with the criteria of independence as prescribed under sub-section (6) of section 149 of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Ms. Vinita Dang Mohoni is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI) or any other authority.

In the opinion of the Board, Ms. Vinita Dang Mohoni, fulfill the conditions for appointment as Independent Director as specified in the Act and the Listing Regulations. Ms. Vinita Dang Mohoni is independent of the management.

The Articles of Association and copies of the draft letter of appointment of Ms. Vinita Dang Mohoni setting out terms and conditions of appointment are available for inspection by the Members in electronic form as per the instructions provided in Note No. (i) under the "Other Instructions" section of this Notice.

The Board is of the view that Ms. Vinita Dang Mohoni's knowledge and experience will be of immense benefit and value to the Company and, therefore, recommends their appointment to the Members.

Save and except Ms. Vinita Dang Mohoni, and her relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel (KMP) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolutions set out at Item No.4 of the Notice. Ms. Vinita Dang Mohoni is neither related to each other nor are they related to any other Director / KMP of the Company.

The Board recommends the Special Resolution set out at Item No.4 of the Notice for approval of the Members.

#### Item No.5

##### Proposal:

The Board of Directors of the Company, pursuant to the recommendation of the Nomination and Remuneration Committee ("NRC") has proposed to the Members of the Company, the appointment of Mr. Hetal Madhukant Gandhi (DIN: 00106895) as Independent Director on the Board of the Company, not liable to retire by rotation, who shall hold office for a term of 5 (five) consecutive years commencing from June 09, 2023 to June 08, 2028. The Company has received notice

in writing from a Member under section 160 of the Companies Act, 2013 ("the Act") proposing the candidature of Mr. Hetal Madhukant Gandhi for the office of Director of the Company.

##### Process & Basis of Appointment:

The NRC evaluated profiles of various candidates as certain Independent Directors and identified skills, expertise and competencies required by the Board for the effective functioning of the Company. The NRC with a view to further strengthen the competencies of the Board and after considering criteria such as qualifications, skillsets, experience, independence, knowledge, ability to devote sufficient time and attention to the professional obligations of an Independent Director, shortlisted profiles of select candidates from a range of backgrounds including Corporate Professionals, Consultants and Industrialist. The process of shortlisting and selection of the new Independent Directors was carried out and concluded by NRC members who were Independent Directors and not considered interested in such proposals.

From the shortlisted candidates, the NRC selected and recommended to the Board, the appointment of Mr. Hetal Madhukant Gandhi as Independent Director of the Company taking the following factors into account:

##### Profile:

Mr. Hetal Madhukant Gandhi is a certified member of the Institute of Chartered Accounts of India. He has been a Private Equity Investor for over 2 decades, and has significant experience in working with entrepreneurs in business building and stakeholder value creation. He co-founded the India Advisory firm for Tano Capital, a mid-market Private Equity Fund manager that invested, across sectors, in high growth companies in their early stages.

Mr. Hetal Madhukant Gandhi has been on the Board of companies, both listed and private, actively contributing to their strategy, organisation building and execution, and helped them scaleup significantly.

#### Directorships and Committee positions:

Sr. No.	Name of the Company/Industry Body	Designation	Name of the Committee	Position held (Chairman/ Member)
1.	Tano India Advisors Private Limited	Managing Director	-	-
2.	Chalet Hotels Limited	Chairperson & Non-Executive Independent Director	Audit Committee Corporate Social Responsibility and ESG Committee Finance Committee	Member Chairman Member
3.	Ami Organics Limited	Independent Director	Audit Committee Nomination & Remuneration Committee	Member Chairman
4.	Maia Pharmaceuticals Inc, USA	Non-Executive Director	-	-
5.	Shilpa Medicare Limited	Independent Director	Audit Committee	Chairman
6.	Syrma SGS Technology Limited	Independent Director	Audit Committee Nomination & Remuneration Committee	Chairman Member
7.	SGS Tekniks Manufacturing Private Limited	Independent Director	-	-
8.	Inhabitr India Private Limited	Independent Director	-	-
9.	Singer India Limited	Independent Director	-	-
10.	Gati Limited	Additional Non-Executive Independent Director	Audit Committee	Member

**Resignation as a Director from Listed Entities in the past three years:** Mr. Hetal Madhukant Gandhi has not resigned as a Director from any listed entity in the past three years.

**Attendance at Board Meetings:** After his appointment on the Board as Additional Director on June 09, 2023, 1 Board Meeting of the Company was held till the date of this Notice and Mr. Hetal Madhukant Gandhi had attended the Meeting.

**Remuneration:** Mr. Hetal Madhukant Gandhi is entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof.

**Other Information:**

Mr. Hetal Madhukant Gandhi do not hold any Equity Shares in the Company.

Mr. Hetal Madhukant Gandhi is not disqualified from being appointed as Director in terms of section 164 of the Act and have given his consent to act as a Director. The Company has received declarations from Mr. Hetal Madhukant Gandhi stating that he meets with the criteria of independence as prescribed under sub-section (6) of section 149 of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Mr. Hetal Madhukant Gandhi is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India (SEBI) or any other authority.

In the opinion of the Board, Mr. Hetal Madhukant Gandhi, fulfill the conditions for appointment as Independent Director as specified in the Act and the Listing Regulations. Mr. Hetal Madhukant Gandhi is independent of the management.

The Articles of Association and copies of the draft letter of appointment of Mr. Hetal Madhukant Gandhi setting out terms and conditions of appointment are available for inspection by the Members in electronic form as per the instructions provided in Note No. (i) under the "Other Instructions" section of this Notice.

The Board is of the view that Mr. Hetal Madhukant Gandhi's knowledge and experience will be of immense benefit and value to the Company and, therefore, recommends their appointment to the Members.

Save and except Mr. Hetal Madhukant Gandhi, and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel (KMP) of the Company and their relatives are, in any way, concerned or

interested, financially or otherwise, in the Resolutions set out at Item No.5 of the Notice. Mr. Hetal Madhukant Gandhi is neither related to each other nor are they related to any other Director / KMP of the Company.

The Board recommends the Special Resolution set out at Item No.5 of the Notice for approval of the Members.

**Item No.6**

The Board of Directors of the Company, pursuant to the recommendation of the Nomination and Remuneration Committee has appointed Mr. Pirojshaw Aspi Sarkari (DIN: 00820860) as an Additional Non-Executive Non-Independent Director of the Company with effect from June 09, 2023. He holds office upto the date of the ensuing Annual General Meeting pursuant to section 161 of the Companies Act, 2013 ("the Act").

The Company has received notice in writing from a Member under section 160 of the Act, proposing his candidature for the office of Director of the Company.

**Profile:**

Mr. Pirojshaw Aspi Sarkari or Phil, as he is commonly known in the industry is an exceptional leader with strong belief in teamwork, technology adoption and process-led growth. He brings with him, decades of leadership experience along with immense business and industry knowledge.

In his illustrious career trajectory, he has set up the UPS business and organisation in India and served as its Managing Director and Country Head till 2010. He then joined Mahindra Logistics as its CEO in 2010, where he built the team and fostered an organisational culture that resulted in the creation and growth of one of the largest and most successful 3PL businesses in India. He is also acknowledged for diversifying the logistics business outside the Mahindra group and for driving a very successful IPO of the company followed by transformative growth through both organic and inorganic means.

With his vast experience, visionary leadership and business acumen he is geared to drive Gati to its next phase of growth and progress that involves becoming stronger in digital capabilities and expanding core businesses to serve customers better.

Mr. Pirojshaw Aspi Sarkari is a Chartered Accountant by profession and a chef by passion. He had joined the Gati Group effective from August 2021 as the Chief Executive Officer of Gati Limited and Gati Express & Supply Chain Private Limited (formerly known as "Gati-Kintetsu Express Private Limited" w.e.f. July 27, 2023).

Sr. No.	Name of the Company/Industry Body	Designation	Name of the Committee	Position held (Chairman/Member)
1.	Allcargo Supply Chain Private Limited	Managing Director	-	-
2.	Express Industry Council of India	Nominee Director	-	-
3.	Ek ka Josh Foundation	Director	-	-
4.	Gati Express & Supply Chain Private Limited (formerly known as "Gati-Kintetsu Express Private Limited" w.e.f. July 27, 2023)	Additional Director (Managing Director & Chief Executive Officer)	Corporate Social Responsibility Committee	Member
5.	Gati Limited	Additional Non-Executive Non-Independent Director	Risk Management Committee	Member

**Resignation as a Director from Listed Entities in the past three years:** Mr. Pirojshaw Aspi Sarkari has not resigned as a Director from any listed entity in the past three years.

**Attendance at Board Meetings:** After his appointment on the Board as Additional Director on June 09, 2023, 1 Board Meeting of the Company was held till the date of this Notice and Mr. Pirojshaw Aspi Sarkari had attended the Meeting.

Mr. Pirojshaw Aspi Sarkari holds 3450 Equity Shares in the Company. Further, Mr. Pirojshaw Aspi Sarkari has been granted Employee Stock Appreciation Rights ("ESARs") as decided by the Nomination and Remuneration Committee of the Company. The number of ESARs granted and outstanding under the Gati Limited Employee Stock Appreciation Rights Plan 2021 as on March 31, 2023 are 2,00,000 out of which 60,000 ESARs stands vested and the rest would vest as per the vesting schedule.

Mr. Pirojshaw Aspi Sarkari being a Managing Director & Chief Executive Officer of Gati Express & Supply Chain Private Limited (formerly known as "Gati-Kintetsu Express Private Limited" w.e.f. July 27, 2023), has waived his right to receive sitting fees for attending the Meetings of the Board of Directors or any Committee thereof on which he may be appointed from time to time or any other remuneration payable to the Non-Executive Director of the Company, effective from June 09, 2023 being the date of his appointment as a Director on the Board of Directors of the Company, during his tenure as a Non-Executive Non-Independent Director of the Company.

Mr. Pirojshaw Aspi Sarkari is not disqualified from being appointed as a Director in terms of section 164 of the Act and has given his consent to act as a Director. Mr. Pirojshaw Aspi Sarkari is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India ("SEBI") or any other authority.

The Board is of the view that Mr. Pirojshaw Aspi Sarkari's knowledge and experience will be of immense benefit and value to the Company and pursuant to the recommendation of the Governance, Nomination and Remuneration Committee, recommends his appointment to the Members.

The Articles of Association of the Company are available for inspection by the Members in electronic form as per the instructions provided in the Note No. (i) under the "Other Instructions" section of this Notice.

Save and except Mr. Pirojshaw Aspi Sarkari, and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel ("KMP")

of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6 of the Notice. None of the Directors and KMP of the Company are inter-se related to each other.

Brief resume of Mr. Pirojshaw Aspi Sarkari, nature of his expertise in specific functional areas, disclosure of relationships between directors inter-se, name of listed entities and other companies in which he holds directorships and memberships/ chairmanships of Board Committees, shareholding in the Company, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are stated herein.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval of the Members.

#### Item No.7

The Board of Directors of the Company, pursuant to the recommendation of the Nomination and Remuneration Committee has appointed Mr. Ravi Jakhar (DIN: 02188690) as an Additional Non-Executive Non-Independent Director of the Company with effect from June 09, 2023. He holds office upto the date of the ensuing Annual General Meeting pursuant to section 161 of the Companies Act, 2013 ("the Act").

The Company has received notice in writing from a Member under section 160 of the Act, proposing his candidature for the office of Director of the Company.

#### Profile:

Mr. Ravi Jakhar leads the overall strategy for the Allcargo group and also manages investor relations. He brings a unique blend of entrepreneurship consulting & general management experience with nearly 17 years in leadership/CXO roles.

Mr. Ravi Jakhar has been a successful entrepreneur having built ventures in technology, sports and organic food. He has also been an angel investor and mentor for many start-ups in various domains ranging from artificial intelligence and machine learning to consumer electronics and fitness. He also led corporate strategy for Allcargo in his earlier stint and managed business for BMT in South Asia for logistics & maritime infrastructure consulting, catering to both government bodies and large corporates.

He has rich experience in business strategy, financial analysis, private equity funding, product design, setting up new ventures & factories, and managing diverse teams. He earned his B.Tech from IIT BHU and attended a course on entrepreneurship at Harvard Business School.

#### Directorships and Committee positions:

Sr. No.	Name of the Company/Industry Body	Designation	Name of the Committee	Position held (Chairman/ Member)
1.	ALX Shipping Agencies India Private Limited	Director	-	-
2.	Madanhatti Logistics and Industrial Parks Private Limited	Additional Director	-	-
3.	Marasandra Logistics and Industrial Parks Private Limited	Director	-	-
4.	Allcargo Warehousing Management Private Limited	Director	-	-
5.	ECU International (Asia) Private Limited	Director	-	-
6.	Allcargo Supply Chain Private Limited	Director	-	-
7.	Gati Limited	Additional Non-Executive Non- Independent Director	-	-

**Resignation as a Director from Listed Entities in the past three years:** Mr. Ravi Jakhar has not resigned as a Director from any listed entity in the past three years.

**Attendance at Board Meetings:** After his appointment on the Board as Additional Director on June 09, 2023, 1 Board Meeting of the Company was held till the date of this Notice and Mr. Ravi Jakhar had attended the Meeting.

Mr. Ravi Jakhar does not hold any Equity Shares in the Company. However, Mr. Ravi Jakhar is entitled to grant of Employee Stock Appreciation Rights ("ESARs") as may be decided by the Nomination and Remuneration Committee of the Company, from time to time. The number of ESARs granted and outstanding under the Gati Limited Employee Stock Appreciation Rights Plan 2021 as on March 31, 2023 are 1,50,000 out of which 45,000 ESARs stands vested and the rest would vest as per the vesting schedule.

Mr. Ravi Jakhar has waived his right to receive sitting fees for attending the Meetings of the Board of Directors or any Committee thereof on which he may be appointed from time to time or any other remuneration payable to the Non-Executive Director of the Company, effective from June 09, 2023 being the date of his appointment as a Director on the Board of Directors of the Company, during his tenure as a Non-Executive Non-Independent Director of the Company.

Mr. Ravi Jakhar is not disqualified from being appointed as a Director in terms of section 164 of the Act and has given his consent to act as a Director. Mr. Ravi Jakhar is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India ("SEBI") or any other authority.

The Board is of the view that Mr. Ravi Jakhar's knowledge and experience will be of immense benefit and value to the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, recommends his appointment to the Members.

The Articles of Association of the Company are available for inspection by the Members in electronic form as per the instructions provided in the Note No. (i) under the "Other Instructions" section of this Notice.

Save and except Mr. Ravi Jakhar, and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel ("KMP") of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 7 of the Notice. None of the Directors and KMP of the Company are inter-se related to each other.

Brief resume of Mr. Ravi Jakhar, nature of his expertise in specific functional areas, disclosure of relationships between directors inter-se, name of listed entities and other companies in which he holds directorships and memberships/ chairmanships of Board Committees, shareholding in the Company, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are stated herein.

The Board recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval of the Members.

## Item No.8

The Members may note that the Management is proposing to change the name of the Company which is a part of Allcargo Group and that recently Allcargo also bought out partner KWE in the main operating entity and the name change reflects the new brand positioning.

Further, the Members may note that, the Board of Directors of the Company via circular resolution on July 11, 2023, approved for the change of name of the Company from "Gati Limited" to "Allcargo Gati Limited" and check availability of name with Central Registration Centre ('CRC'), Registrar of Companies ('ROC'), MCA.

Consequent to the proposed new name being made available and reserved in favour of the Company, the Board of Directors at its meeting held on August 04, 2023, approved change in name of the Company from "Gati Limited" to "Allcargo Gati Limited" and also approved consequent change in Memorandum of Association ('MoA') and Articles of Association ('AoA') of the Company subject to receipt of approval from Shareholders, Stock Exchanges where equity shares of the Company are listed, Central Government and/ or any other regulatory or statutory authority(ies) in connection with the change in name of the Company.

Consequent upon change of name of the Company, the name "Gati Limited" as appearing in the Name Clause of the MoA of the Company and wherever appearing in the MoA and AoA of the Company and other documents and places would have to be substituted with the new name i.e. "Allcargo Gati Limited".

The Company is in compliance with conditions stipulated under Regulation 45(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulations, 2015, as amended and a certificate pursuant to Regulation 45(3) of the said Regulations, issued by M/s. G A R V & Associates, Chartered Accountants (FRN: 301094E) is enclosed as **Annexure II** to this Notice.

Pursuant to the provisions of the Companies Act, 2013 and rules made thereunder, for effecting the change in name of the Company and consequential alteration in the MoA and AoA of the Company, it is necessary to obtain approval of the shareholders by way of passing a special resolution.

Therefore, the Board considers that the special resolution set out at item no. 8 in this Notice is in the best interest of the Company and recommends the said Special Resolution for approval of shareholders.

However, the said change in the name of the Company will be effective post receipt of approval from the Ministry of Corporate Affairs, Stock Exchanges and/ or other regulatory authority(ies) and upon receipt of fresh Certificate of Incorporation in the new name of the Company i.e. "Allcargo Gati Limited". A copy of the existing and proposed MoA and AoA will be available for inspection by the Members of the Company (i) at the Registered Office of the Company during working hours on all working days except Saturdays and Sundays upto and including the date of this meeting i.e. September 04, 2023; and (ii) electronically, as per the instructions provided in the Note No. (i) under the "Other Instructions" section of this Notice.

None of the directors and/or key managerial personnel of the Company and their relatives are in any way, concerned or interested, financial or otherwise, in this Resolution except to the extent of their shareholding in the Company, if any.

**Item No.9**

In pursuance to the alteration of Memorandum of Association of the Company pursuant to the change of name of the Company, this amendment in Articles of Association of the Company is being proposed.

The model articles prescribed under Table F of the Companies Act, 2013 have been proposed for replacement with the existing set of Articles of Association of the Company.

A copy of the existing and proposed AoA will be available for inspection by the Members of the Company (i) at the Registered Office of the Company during working hours on all working days except Saturdays and Sundays upto and including the date of this meeting i.e. September 04, 2023; and (ii) electronically, as

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

**T.S. Maharani**  
(Company Secretary & Compliance Officer)  
Membership No: F8069

Place: Hyderabad  
Date: August 04, 2023

per the instructions provided in the Note No. (i) under the "Other Instructions" section of this Notice.

The approval of the Members by way of Special Resolution is required in term of the applicable provisions of 14 of the Companies Act, 2013 read with applicable rules thereto and accordingly the approval of the Members of the Company is being sought.

The Board of Directors of the Company believe that the proposed changes in the Articles of Association of the Company is in the best interest of the Company and its Members and therefore recommends the Special Resolution as set out at Item No. 9 in the accompanying notice for your approval.

None of the Directors or any Key Managerial Personnel(s) of the Company or their respective relatives, are concerned or interested financially or otherwise, either directly or indirectly in passing of the said Resolution, save and except to the extent of their respective interest as shareholders of the Company.

**Registered & Corporate Office:**

Western Pearl, 4<sup>th</sup> Floor, Survey No. 13(p), Kondapur  
Hyderabad Rangareddi - 500084, Telangana, India

**Tel:** +91 040-7120 4284, **Fax:** +91 040-2311 2318

**CIN:** L63011TG1995PLC020121

**Website:** [www.gati.com](http://www.gati.com)

**Email:** [investor.services@gati.com](mailto:investor.services@gati.com)

## ANNEXURE-I

**PURSUANT TO REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD 2 ISSUED BY ICSI, INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/ RE-APPOINTED IS FURNISHED BELOW:**

**Item No. 3:****Mr. Kaiwan Kalyaniwalla (DIN: 00060776)**

Age	59
Qualifications	Bachelor's degree in economics and political science; Bachelor of Law.
Experience (including expertise in specific functional area) / Brief Resume	Mr. Kalyaniwalla has been in the practice of law for over 34 years and is enrolled as a Solicitor of the Supreme Court of England and Wales. His practice is predominantly in the field of corporate laws, property laws, tax laws, general commercial and personal laws.
Terms & Conditions of Re-appointment	Non – Executive Director liable to retire by rotation.
Remuneration Last Drawn (FY 2022-23)	NIL
Remuneration proposed to be paid	NIL
Date of first appointment on the Board	February 04, 2020
Shareholding in the Company as on March 31, 2023	NIL
Relationship with other Directors/Key Managerial Personnel	Not related to any director/key managerial personnel
Number of meetings of the Board attended during the financial year (2022-23)	4 out of 4
Directorships of other Boards as on March 31, 2023	<ul style="list-style-type: none"> <li>➤ Allcargo Logistics Limited</li> <li>➤ Modern India Limited</li> <li>➤ Iorn &amp; Metal Traders Private Limited</li> <li>➤ Bombay Metal &amp; Alloys Mfg Company Private Limited</li> <li>➤ Transindia Logistic Park Private Limited</li> <li>➤ Synchro Investments Private Limited</li> <li>➤ Quantum Trustee Company Private Limited</li> <li>➤ Bombay Incorporated Law Society</li> <li>➤ Allcargo Terminals Limited</li> <li>➤ TransIndia Real Estate Limited</li> <li>➤ Modern India Limited (Audit Committee Member)</li> </ul>
Membership/ Chairmanship of committees of other listed companies as on March 31, 2023 (includes only Audit Committee and Stakeholders Relationship Committee)	

**Compliance certificate under Regulation 45(1) of Listing Regulations.**

To,  
Board of Directors,  
**Gati Limited**,  
Western Pearl, 4<sup>th</sup> Floor, Survey No. 13(p),  
Kondapur, Hyderabad - 500084

**Certificate under Regulation 45 of the Securities And Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

1. Based on the information and explanations provided to us and based on our examination of the documents as stated in paragraph 2 below, it is certified that more than one year has elapsed since the last change in the name of the company, Gati Limited.

Further, considering no name change during last one year, compliances under Regulation 45 (1) (b) & (c) of the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, with respect to revenue & investment by the new activity suggested by new name is not applicable.

2. To affirm the above certification, we have examined the following documents-
  - a) We have been provided with a Fresh certificate of Incorporation Consequent On Change Of Name dated 24-10-2000 whereby the name of Gati Corporation was changed to Gati Limited.
  - b) We had been provided with the audited financial statement of Gati Limited for the year ended March 31, 2022. The name of the company under which the Financial Statements are signed is 'Gati Limited', hence confirming no name change.

Based on the examination of above documents, we hereby affirm that no amendment/alteration in the name of the company was noticed

3. Our responsibility is to perform the procedures mentioned in paragraph 2 above, on the matter, and report our findings. We performed the above mentioned procedures in accordance with the requirements of the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. In addition to the foregoing, our scope of work did not include verification of compliance with other requirements of the Guidelines, other circulars, notifications, etc., as issued by SEBI or regulatory authorities from time to time, and any other laws and regulations applicable to the Company. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such an opinion.
4. Our certificate is solely for the purpose set forth in paragraph 1 above and for your information and is not to be used for any other purpose or to be distributed to any other parties.
5. I hereby declare to the best of my knowledge and belief that the information contained in the certificate is true as on the date mentioned below.
6. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

**For G A R V & Associates**  
Chartered Accountants  
Firm Registration No: 301094E

Anshuma Rustagi  
Partner  
Membership No.: 062957  
UDIN - 23062957BGXHUH1034

Place: Kolkata  
Date: July 21, 2023

# Directors' Report

Dear Members,

Your Directors present 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, 2023. The Consolidated Performance of your Company and its subsidiaries has been referred to wherever required.

## 1) Financial Highlights

The summarized standalone and consolidated financial results of the Company for the financial year ended March 31, 2023 as compared to the previous year are as under:

Particulars	(₹ in Lakhs)			
	Standalone		Consolidated	
	Financial Year 2022-23	Financial Year 2021-22	Financial Year 2022-23	Financial Year 2021-22
Total Income	26,406	25,760	1,74,604	1,50,524
<b>Profit/(Loss) before Finance Cost, Depreciation &amp; Amortization Expenses, Exceptional items &amp; Tax Expenses</b>	385	223	9,291	4,969
Less: Finance cost	34	139	2,936	2,732
Less : Depreciation and Amortization Expenses	67	109	5,921	3,492
<b>Profit/(Loss) before tax &amp; Exceptional items</b>	<b>284</b>	<b>(25)</b>	<b>434</b>	<b>(1,255)</b>
Exceptional items – Income / (Expense)	(803)	(2,296)	96	1,205
<b>Profit/(Loss) before tax</b>	<b>(520)</b>	<b>(2,321)</b>	<b>530</b>	<b>(50)</b>
Less: Tax expenses	24	307	1,621	393
<b>Profit/(Loss) after tax</b>	<b>(544)</b>	<b>(2,014)</b>	<b>(1,091)</b>	<b>(443)</b>
Attributable to				
Owners of the company	(544)	(2,014)	(928)	887
Non –controlling Interest	-	-	(163)	(1,330)
Add: other comprehensive Income (net of Tax)	(15)	(7)	(612)	(320)
<b>Total comprehensive income</b>	<b>(588)</b>	<b>(2,021)</b>	<b>(1,703)</b>	<b>(763)</b>
Attributable to				
Owners of the company	(588)	(2,021)	(1,361)	661
Non –controlling Interest	-	-	(342)	(1,424)

## 2) Dividend

In view of the loss for the year ended, the Directors do not recommend any dividend on the equity shares of the Company for the financial year ended March 31, 2023. The Dividend Distribution Policy of the Company is available on the Company's website and can be accessed at <https://www.gati.com/wp-content/uploads/2021/06/Dividend-Distribution-Policy.pdf>.

## 3) Review of Operations

### Consolidated:

During the year under review, at consolidated level, your Company achieved a revenue of ₹ 1,74,604 Lakhs, EBITDA of ₹ 9,291 Lakhs, PBT of ₹ 530 Lakhs and PAT of ₹ -1,091 Lakhs as against a revenue of ₹ 1,50,524 Lakhs, EBITDA of ₹ 4,969 Lakhs, PBT of ₹ -50 Lakhs and PAT of ₹ -443 Lakhs respectively in the previous year.

### Standalone:

At standalone level, your Company recorded revenue of ₹ 26,406 Lakhs, EBITDA of ₹ 385 Lakhs, PBT of ₹ -520 Lakhs and PAT of ₹ -544 Lakhs as against revenue of ₹ 25,760 Lakhs, EBITDA of ₹ 223 Lakhs, PBT of ₹ -2,321 Lakhs and PAT of ₹ -2,014 Lakhs in the previous year.

## 4) Performance and Financial Details of Subsidiaries and Associates

The financial performance of the subsidiaries and associate companies are discussed in the Report on Management Discussion & Analysis Report. Pursuant to the provisions of Sections 129, 133, 134 and 136 of the Companies Act, 2013 ("the Act") read with Rules framed thereunder, the Company has prepared Consolidated Financial Statements of the Company and its subsidiaries and a separate statement containing the salient features of financial statement of subsidiaries and associate in Form AOC-1 forms part of the Annual Report.

In accordance with Section 136 of the Act, the Annual Accounts of the Subsidiaries are available on the Company's website and also open for inspection by any Member at the Company's Registered Office. The Company will make available these documents and the related detailed information upon request by any Member of the Company or any Member of its Subsidiary, who may be interested in obtaining the same.

## 5) Subsidiaries, Associates & Joint Ventures and Consolidated Financial Statements

In accordance with the Ind-AS 110 on Consolidated Financial Statements read with the Ind-AS 28 on

Accounting for Investments in Associates notified under Section 133 read with Section 129(3) of the Act, the Audited Consolidated Financial Statements are provided in the Annual Report.

The financial statements of the following Subsidiaries have been consolidated into the financial statements of the Company:

- i. Gati Express & Supply Chain Private Limited (formerly known as "Gati-Kintetsu Express Private Limited" w.e.f. July 27, 2023) ("GESCP")
- ii. Gati Import Export Trading Limited ("GIETL")
- iii. Zen Cargo Movers Private Limited ("ZCMPL")
- iv. Gati Logistics Parks Private Limited ("GLPPL")
- v. Gati Projects Private Limited ("GPPL")

The Company has one Associate Company i.e. Gati Ship Limited and the same is not considered in the consolidation of accounts as the Company ceases to have significant control after the sale of stake of 12.09% on May 16, 2014. Further, the Company has no Joint Ventures.

In accordance with Regulation 16(1)(c) of the Listing Regulations, GKEPL has been identified as a material unlisted subsidiary of the Company.

The Policy for Determining Material Subsidiaries as approved by the Board is uploaded on the Company's website at <https://www.gati.com/pdf/Investors/announcements/Policy-on-material-subsidiaries.pdf>

## 6) Shifting of the Registered office of the Company

During the previous year, the Board of Directors of the Company vide its meeting held on October 26, 2021 and the Shareholders of the Company through Postal Ballot by e-voting on December 17, 2021 have approved the shifting of Registered Office of the Company from the "State of Telangana" to the "State of Maharashtra at Mumbai", subject to the approval of the Hon'ble Regional Director, South East Region, Hyderabad. Further, the Company has filed the relevant application with the said Hon'ble Regional Director, Hyderabad as per the provisions of the Companies Act, 2013 seeking approval for the same and the matter is still pending for the order. The Company had filed an IA with NCLT, Hyderabad in the main petition praying for the shifting of Registered office of Gati Limited from the State of Telangana to the State of Maharashtra at Mumbai, and NCLT vide its order passed on April 25, 2023 ("said order"), given a direction to the company to file Form INC-23 and also directing the Regional Director to examine and take decision not later than 15 days from the date of submission of application. The Company had already filed the said Form INC-23 on January 29, 2022 which is pending for approval and further filed an affidavit with the Hon'ble High Court of Telangana for withdrawal of the writ petition filed earlier.

## 7) Reserves

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

## 8) Fixed deposits (FD)

As on March 31, 2023, fixed deposits of your Company stood at ₹ 126.39 Lakhs out of which ₹ 27.54 Lakhs remain unclaimed and there were no overdue deposits as on that

date. During the year under review, your Company has not accepted any Fresh/Renewal of deposits. 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 Act. The current fixed deposits carry a rating of "CARE BBB" issued by CARE Ratings Limited.

## 9) Directors and Key Managerial Personnel (KMP)

### i. Appointment/Resignation/Cessation of Director:

Following changes have been taken place in the Board of Directors and KMP from the last report till the date of this report:

- (a) Ms. Vinita Dang Mohoni (DIN: 01919140) was appointed as an Additional Non - Executive, Independent Director on the Board of the Company w.e.f. June 05, 2023.
- (b) Mr. Hetal Madhukant Gandhi (DIN: 00106895) was appointed as an Additional Non - Executive, Independent Director on the Board of the Company w.e.f. June 09, 2023.
- (c) Mr. Pirojshaw Aspi Sarkari (DIN: 00820860) was re-designated as an Additional Non - Executive, Non-Independent Director on the Board of the Company w.e.f. June 09, 2023 and resigned from his position as the Chief Executive Officer of the Company w.e.f. May 31, 2023.
- (d) Mr. Ravi Jakhar was appointed as an Additional Non - Executive, Non-Independent Director on the Board of the Company w.e.f. June 09, 2023.
- (e) Ms. Cynthia D'Souza (DIN: 00420046) had resigned as Non - Executive, Independent Director of the Company w.e.f. June 09, 2023.
- (f) Mr. Yasuyuki Tani (DIN: 09683124) was appointed as an Additional Non - Executive, Nominee Director on the Board of the Company w.e.f. August 02, 2022 and Resigned as Non - Executive, Nominee Director of the Company w.e.f. June 08, 2023.
- (g) Mr. Yasuhiro Kaneda (DIN: 07619127) had resigned as Non - Executive, Nominee Director of the Company w.e.f. July 01, 2022.

### ii. Re-appointment of Director:

During the year, the Company has re-appointed Mr. Shashi Kiran Shetty (DIN: 00012754) as Director of the Company, who retired by rotation at the 27<sup>th</sup> AGM held during the year.

### iii. Retirement by Rotation:

In accordance with the provisions of Section 152 of the Act, read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Mr. Kaiwan Kalyaniwalla (DIN: 00060776), Non-Executive Non-Independent Director of the Company, who retires by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment and the Board recommends his re-appointment.

In compliance with Regulation 36(3) of the Listing Regulations, brief resume of the Director proposed to be re-appointed forms part of the notes and explanatory statement to the Notice of the ensuing AGM.

**iv. Key Managerial Personnel:**

The following have been designated as the Key Managerial Personnel of the Company pursuant to Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. Mr. Shashi Kiran Shetty – Chairman & Managing Director
2. Mr. Anish Mathew – Chief Financial Officer
3. Ms. T. S. Maharani – Company Secretary

Mr. Pirojshaw Aspi Sarkari (DIN: 00820860) was re-designated as an Additional Non - Executive, Non-Independent Director on the Board of the Company w.e.f. June 09, 2023 and resigned from his position as the Chief Executive Officer of the Company w.e.f. May 31, 2023. There were no other changes to the Key Managerial Personnel of the Company.

**10) 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 Act and Regulation 19 of the Listing Regulations. The salient aspects covered in the Nomination and Remuneration Policy have been outlined in the Corporate Governance Report which forms part of this Annual report.

The information required under section 197 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) in respect of Directors/employees of the Company is set out in the **Annexure –A** to this report.

**11) Declaration by Independent Directors**

Pursuant to sub section (6) of Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations, 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 Listing Regulations.

**12) Remuneration Policy**

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

**13) Board Evaluation**

Pursuant to the provisions of the Act and the Listing Regulations, annual performance evaluation is to be done for the Board, its Committees, the Chairman and Individual Director to ensure an effective evaluation process, the Nomination and Remuneration Committee of the Board of Directors ("NRC") has put in place evaluation framework for conducting the performance evaluation exercise.

Based on the criteria set by NRC, the Board has carried out annual evaluation of its own performance, its Committees and individual Directors for financial year 2022-23. The questionnaires on performance evaluation were broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January

05, 2017. An online platform has been provided to each Director for their feedback and evaluation. The evaluation process was anchored by an independent professional agency to ensure independence, confidentiality and neutrality. A report on the evaluation process and the results of the evaluation were presented by the agency to the Board.

The performance evaluation of the Board was done on key attributes such as composition, administration, corporate governance, independence from Management, etc. Parameters for evaluation of Directors included constructive participation in meetings and engagement with colleagues on the Board. Similarly, committees were evaluated on parameters such as adherence to the terms of the mandate, deliberations on key issues, reporting to Board, etc. Evaluation of the Chairman of the Company was on the basis of his leadership, guidance to the Board and overall effectiveness.

Thereafter, at the Board meeting, the performance of the Board, its Committees and individual Directors was discussed and deliberated. The Board of Directors expressed their satisfaction towards the process followed by the Company for evaluating the performance of the Directors, Board and its Committees.

**14) Board Committees**

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

**15) Audit committee**

The details pertaining to the composition of the audit committee are included in the Corporate Governance Report, which is a part of this report.

All the recommendations made by the Audit Committee were accepted by the Board of Directors of the Company.

**16) Particulars of Loans, Guarantees and Investments**

The particulars of Loans given, Investments made and guarantees provided by the Company under Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 as at March 31, 2023, forms part of the Financial Statements.

**17) Corporate Social Responsibility (CSR)**

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

During the year, the Company has not spent any amount on CSR activity, in absence of the profits in the immediately three preceding financial years. Accordingly, report on the Corporate Social Responsibility as specified under the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 is not being annexed to this report. The Composition of CSR Committee and CSR Policy are available on the Company's website [www.gati.com](http://www.gati.com).

## 18) Related Party Transactions

In line with the requirements of the Act and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on the Company's website at <https://www.gati.com/investor-relations/policies/>. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

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 material related party transactions, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable. The details of the transactions with related parties are provided in Note No. 46 to the Financial Statements.

## 19) Meetings of the Board and Committees

Four Meetings of the Board of Directors were held during the year. For details of the meetings of the Board, please refer to the report on Corporate Governance, which forms part of this Annual report.

## 20) Vigil Mechanism

The Whistle-blower Policy has been framed in compliance with the provisions of Section 177(10) of the Act and Regulation 22 of the Listing Regulations and the same is made available on the website of your company at <https://www.gati.com/investor-relations/policies/>.

## 21) Policy on prevention of Sexual Harassment at Workplace

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

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

No complaint on sexual harassment was received during the year.

## 22) Familiarisation Programme for Independent Directors

Pursuant to the Listing Regulations, 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. The Directors are regularly informed during meetings of the Board and Committees on the business strategy, business activities, business operations and issues faced by the Logistics industry.

The details of the Familiarisation programme process for the Independent Directors forms part of the Corporate Governance Report.

## 23) Directors' Responsibility Statement

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

- a) That in the preparation of the Accounts for the financial year ended March 31, 2023, the applicable accounting standards and schedule III of the Act (including any statutory modification(s) or re-enactment(s) for the time being in force), have been followed along with the proper explanation relating to material departure;
- b) 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, 2023 and of the profit and loss of the Company for the financial year ended March 31, 2023;
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act (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;
- d) That the accounts have been prepared on 'going concern' basis;
- e) The directors had laid down internal financial controls to be followed by the company and such internal financial controls are adequate and the Company is constantly endeavouring to improve the standards of internal control in various areas and taking steps to strengthen the internal control system to make it commensurate and effective with the nature of its business;
- f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

## 24) Annual Return

Pursuant to sub-section (3) of Section 92 of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as at March 31, 2023 in Form MGT-7 is available on the website of the Company at the link <https://www.gati.com/investor-relations/general/>

## 25) Risk Management Policy

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

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

The Company, through its risk management process, aims to contain the risks within its risk appetite. There are no risks which in the opinion of the Board that threatens the existence of the Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Annual Report.

## 26) Internal Financial Controls

Your Company has established and maintained a framework of internal financial controls and compliance systems. Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and your Company is constantly endeavouring to improve the standards of internal control in various areas and taking steps to strengthen the internal control system to make it commensurate and effective with the nature of its business.

Further, the statutory auditors of your company have also issued an attestation report on internal control over financial reporting (as defined in Section 143 of Act) for the financial year ended March 31, 2023, which forms part to the Statutory Auditors Report.

## 27) Investor Education and Protection Fund (IEPF)

Pursuant to the applicable provisions of the Act, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividend are required to be transferred by the company to the IEPF established by the Central Government, after the completion of seven years. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to demat account created by the IEPF Authority. Accordingly, the company has transferred the unpaid or unclaimed dividend amounting to ₹ 8,96,126/- for the financial year 2014-15 along with its corresponding shares totalling to 42,083.

The Company has also transferred unclaimed deposits as on March 31, 2023 of an amount of ₹ 9,48,691 to IEPF.

## 28) Auditors

### a) Statutory Auditors

As per Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the term of M/s. Singhi & Co., Chartered Accountants, (Firm Registration No. 302049E), as the Statutory Auditors of the Company, expired at the conclusion of 27<sup>th</sup> AGM of the Company.

Pursuant to the recommendation of the Board of Directors and Audit Committee of the Company at their meeting

held on May 20, 2022, the shareholders vide the Ordinary Resolution approved the appointment of M/s. S. R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004) as the Statutory Auditors of the Company at the 27<sup>th</sup> AGM of the Company for a term of five consecutive years i.e. from the conclusion of 27<sup>th</sup> AGM till the conclusion of 32<sup>nd</sup> AGM of the Company pursuant to Section 139 of the Act.

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

Further, the report of the Statutory Auditors along with the notes on the Financial statements is enclosed to this Report. The Auditors' Report do not contain any qualifications, reservation, adverse remarks, observations or disclaimer on Audited Financial Statements for the financial year ended March 31, 2023.

### b) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. Puttaparthi Jagannatham & Co., Company Secretaries, Hyderabad as the Secretarial Auditor to conduct an audit of the secretarial records of the Company for the financial year 2022-23. The Secretarial Audit Report for the financial year ended March 31, 2023 under the Act, read with Rules made thereunder and Regulation 24A of the Listing Regulations, is set out in the **Annexure – B-1** to this report.

Further, the Secretarial Audit Report of the material subsidiary i.e. Gati Express & Supply Chain Private Limited (formerly known as "Gati-Kintetsu Express Private Limited" w.e.f. July 27, 2023) for the financial year ended March 31, 2023, pursuant to requirement of Regulation 24A of the Listing Regulations, is set out in **Annexure – B-2** to this report.

Furthermore, Mr. T. N. Kannan, Practising Company Secretary carried out Reconciliation of Share Capital Audit every quarter and the report thereon is submitted to the Stock Exchanges.

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

The information on conservation of energy, technology absorption and foreign exchange earnings & outgo pursuant to Section 134(3)(m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as **Annexure – C**.

## 30) Gati - Employees Stock Appreciation Rights Plan 2021 ("ESAR 2021")

During the year under review, the Company granted ESARs to eligible employees of the Company, Holding Company and Subsidiary Company with a view to attract and retain the senior talents and reward them for their performance and to contribute to the growth & profitability of the Company.

During the quarter ended March 31, 2022, the shareholders of the Company have approved the 'Gati - Employees

stock Appreciation Rights Plan 2021 ('ESAR 2021'/ 'Plan') on January 27, 2022 and the Company has also obtained the in-principle approval from the BSE Limited and the National Stock Exchange of India Limited for the granting of Employee Stock Appreciation Rights ("ESARs") under the Plan to the employees of the Company, its Holding Company, Subsidiary Company(ies). Further, the Nomination and Remuneration Committee of the Board of Directors of the Company vide its meeting held on March 17, 2022 have granted 31,05,000 ESARs to the Employees of the Company, its Holding Company and Subsidiary Company. The necessary accounting for the above has been made in the books of accounts in the respective periods. Furthermore, the Nomination and Remuneration Committee of the Board of Directors of the Company vide its meeting held on February 08, 2023 have granted 7,75,000 ESARs to the Employees of the Holding Company and Subsidiary Company.

Further, the disclosure in terms of Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is available on the website of the Company at <https://www.gati.com/investor-relations/general/>.

### 31) Change in Capital Structure and Listing at Stock Exchanges

The equity shares of your Company continue to be listed and traded on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

Further, during the year under review, Company has raised ₹52,49,99,610/- with respect to seventy five percent of the total consideration through preferential issue by issuing and allotting 71,61,120 Equity Shares of face value of ₹ 2/- each for cash at a price of ₹97.75/- (including premium of ₹95.75/- per Equity Shares) to Allcargo Logistics Limited (Promoter/ACL) as prescribed under the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") for allotment of the equity warrants. Subsequent to the conversion of warrants held by ACL, the percentage of shareholding of the ACL increased from 47.30% to 50.20% of the paid-up share capital of the Company.

Further, Issued, Subscribed and Paid-up Share Capital of the Company as at March 31, 2023 is ₹ 26,02,60,234/- divided into 13,01,30,117 equity shares of ₹ 2/- each.

### 32) Company's Policies

The details of the policies approved and adopted by the Board are provided in **Annexure - D** to this report.

### 33) 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 Regulation 34 of the Listing Regulations, forms part of this Annual Report and is annexed as **Annexure - E**. The requisite certificate from the Practicing Company Secretary confirming compliance with the conditions of corporate governance as stipulated under the aforesaid Regulations forms part of this report.

### 34) Management Discussion and Analysis Report (MD&AR)

Management Discussion and Analysis Report for the financial year under review, as stipulated under Regulation 34(2)(e) of the Listing Regulations, is presented in a separate section and forms part of this Annual Report.

### 35) Business Responsibility and Sustainability Report (BRSR)

Business Responsibility and Sustainability Report for the financial year under review, as stipulated under Regulation 34(2)(f) of the Listing Regulations and SEBI Circular SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021, is presented in a separate section and forms part of this Annual Report.

### 36) General

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
3. During the period under review, none of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143(12) of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).
4. The Company has complied with Secretarial Standards, i.e. SS-1 and SS-2, relating to Meetings of the Board of Directors and General Meetings, issued by the Institute of Company Secretaries of India.

5. There were no material changes commitments affecting the financial position of your Company between the end of financial year (March 31, 2023) and the date of the report (August 04, 2023).
6. Company is not required to maintain cost records under Section 148(1) of the Act.
7. The policy for determining material subsidiaries of the Company has been provided on the Company's website at [www.gati.com](http://www.gati.com)

### 37) 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 and the financial contribution and significant support from the largest shareholder Allcargo Logistics Limited. 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**

**Shashi Kiran Shetty**

Chairman & Managing Director

DIN: 00012754

Place: Hyderabad  
Date: August 04, 2023

# 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 2022-23 and percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during the financial year 2022-23, are as under:

Executive Directors and KMP	Ratio of remuneration of each Director / Key Managerial Personnel to median remuneration of employees	% increase in Remuneration in the Financial Year 2022-23
Mr. Shashi Kiran Shetty – Managing Director <sup>(a)</sup>		
Mr. Pirojshaw Sarkari, Chief Executive Officer <sup>(a)</sup>	1.5%	10%
Mr. Anish T. Mathew, Chief Financial Officer	5.66%	Nil
Mrs. T. S. Maharani, Company Secretary	16.54%	7%

<sup>(a)</sup> Mr. Shashi Kiran Shetty is drawing remuneration from Allcargo Logistics Limited, Holding Company.

<sup>(a)</sup> Mr. Pirojshaw Sarkari draws remuneration from GKEPL, Material Subsidiary Company. However, he was re-designated as an Additional Non - Executive, Non-Independent Director on the Board of the Company w.e.f. June 09, 2023 and resigned from his position as the Chief Executive Officer of the Company w.e.f. May 31, 2023.

- ii) The median remuneration is ₹ 6,78,288 and the percentage increase in the median remuneration of employees in the financial year is 12.8%.
- iii) The number of permanent employees on the rolls of company as on March 31, 2023: 2(two).
- iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- Increase in remuneration is based on remuneration policy of the Company.
- v) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.
- vi) 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 below:

Sr. No.	Name	Designation	Date of Joining	Remuneration (₹ In Lacs p.a.)
1.	Mr. Anish T Mathew	Chief Financial Officer	February 01, 2022	97.12
2.	Mrs. T S Maharani	Company Secretary & Compliance Officer	July 29, 2019	38.40

- vii) 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 of the Company.

### Note:

- a) The Non-Executive, Independent Directors of the Company are entitled for sitting fee as per the statutory provisions and the details of the same are provided in the Corporate Governance Report and is governed by the Differential Remuneration Policy, as detailed in the said report.
- b) Percentage increase in remuneration is calculated based on total cost to the Company as per the remuneration policy of the Company.

For and on behalf of the Board

Place: Hyderabad  
Date: August 04, 2023

**Shashi Kiran Shetty**  
Chairman & Managing Director  
DIN: 00012754

# Annexure – B-1

## Form No. MR-3

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

### SECRETARIAL AUDIT REPORT OF GATI LIMITED

For the Financial Year Ending March 31, 2023

To  
The Members of  
GATI Limited

Western Pearl, 4<sup>th</sup> Floor, Survey No. 13(P),  
Kondapur, Hyderabad, Telangana – 500084.

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) 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;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the financial year under review)**;
- (f) 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; **(Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review)**;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable as the Company has not delisted/proposed to delist its equity shares from any Stock Exchange during the financial year under review)**;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable as the Company has not bought back any of its equity shares)**.
- (i) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015; and
- (j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with relating to Board Meetings and General Meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) on March 31, 2023 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (iii) Other Specifically applicable laws to the Company in respect of which we relied on the Internal Audit report and noted relevant compliances and observations made by the Internal Auditor:
  - (a) Carriage of Goods by Road Act, 2007
  - (b) Carriage of Goods by Air Act, 1972

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

**We further report that:**

- (i) based on the information provided by the Company, its officers and its authorized representatives during the conduct of the audit and also on review of quarterly reports by respective Department Heads/Company Secretary/ CEO taken on record by the Board of Directors of the Company, adequate systems and processes and control mechanism exist in the company to monitor and ensure the compliance of with the applicable general laws like Labour laws, competition law and environment laws.
- (ii) the Compliance by the Company of applicable financial laws like direct and indirect laws has not been reviewed in this Audit since the same have been subject to review by Statutory Financial Audit and Other designated professionals.
- (iii) the Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors, and Independent Directors.

- (iv) adequate notice is given to all Directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent electronically well in advance or shorter consent were taken in other cases, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (v) all the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that**

- (i) there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- (ii) there were no specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs except as reported in the Financial Audit Report:

For **Puttaparthi Jagannatham & Co.**  
Company Secretaries

**CS Navajyoth Puttaparthi**  
Partner

FCS No: 9896; C P No: 16041

Date: May 17, 2023

Peer Review Certificate No. 1158/2021

Place: Hyderabad

UDIN: F009896E000320723

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

## 'ANNEXURE A'

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To

**The Members of GATI Limited**

**Western Pearl, 4<sup>th</sup> Floor, Survey No. 13(P), Kondapur, Hyderabad, Telangana – 500084.**

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

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

For **Puttaparthi Jagannatham & Co.**  
Company Secretaries

**CS Navajyoth Puttaparthi**  
Partner

FCS No: 9896; C P No: 16041  
Peer Review Certificate No. 1158/2021  
UDIN: F009896E000320723

Date: May 17, 2023  
Place: Hyderabad

# Annexure – B-2

## Form No. MR-3

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

### SECRETARIAL AUDIT REPORT OF GATI-KINTETSU EXPRESS PRIVATE LIMITED

For the Financial Year Ending March 31 2023

To

**The Members of**

**Gati-Kintetsu Express Private Limited**

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iii) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') shall not apply to the Company being an unlisted company.

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

- (iv) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to the Board and General Meeting.
- (v) During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above
- (vi) Other Specifically applicable laws to the Company in respect of which we relied on the Internal Audit report and noted relevant compliances and observations made by the Internal Auditor:
  - (a) Carriage of Goods by Road Act, 2007
  - (b) Carriage of Goods by Air Act, 1972
  - (c) Carriage of Goods by Sea Act, 1925
  - (d) Motor Transport Workers Act, 1961
  - (e) Motor Vehicles Act, 1988
  - (f) Fatal Accidents Act, 1855
  - (g) The Factories Act, 1948
  - (h) Multimodal Transportation of Goods Act, 1993
  - (i) Railway Act, 1989
  - (j) The Air (Prevention and Control of Pollution) Act, 1981
  - (k) The Water (Prevention and Control of Pollution) Act, 1974
  - (l) Control of National Highways (Land and Traffic) Act, 2002

#### We further report that

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

- (ii) the Compliance by the Company of applicable financial laws like direct and indirect laws has not been reviewed in this Audit since the same have been subject to review by Statutory Financial Audit and Other designated professionals.
- (iii) the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors.
- (iv) adequate notice is given to all Directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent electronically well in advance or shorter consent were taken in other cases, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (v) all the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that:**

- (i) there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.
- (ii) there were no specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs except as reported in the Financial Audit Report.

For **Puttaparthi Jagannatham & Co.**  
Company Secretaries

**CS Navajyoth Puttaparthi**  
Partner

FCS No: 9896; C P No: 16041

Date: May 15, 2023 Peer Review Certificate No. 1158/2021

Place: Hyderabad UDIN: F009896E000306401

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

# 'ANNEXURE A'

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To  
**The Members of**  
**Gati-Kintetsu Express Private Limited**

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

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

For **Puttapparthi Jagannatham & Co.**  
Company Secretaries

**CS Navajyoth Puttapparthi**

Partner

FCS No: 9896; C P No: 16041

Peer Review Certificate No. 1158/2021

UDIN: F009896E000306401

Date: May 15, 2023

Place: Hyderabad

# Annexure – C

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

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

### A) Conservation of Energy:

As an organisation we are continuously evaluating various avenues to conserve energy, initiatives in that direction are:

1. Phasing out of vehicles undergone aging of 5 years and ensuring new vehicles inducted in the network BS IV or above.
2. On feeder routes, we are in process of replacing vehicles with CNG vehicles to be more fuel efficient in turn contribute towards energy conservation.
3. We are exploring EV and LNG run vehicles and in touch with players working in this space so that we are the first ones to implement.
4. Few operational improvements will have direct impact on reduced no. of trips and distance travelled by the trucks which in turn will reduce energy consumption, these improvements are:
  - Laser focus on capacity utilization of vehicles so that available vehicles are utilized optimally;
  - Validation of existing routing profile and tune it so that efficient routing is achieved for each shipment movement.
5. We are developing Eco. Driving training module focusing on activities leading to energy conservation for e.g. avoid idling of engine, tuning of filters, tyre pressure etc for the teams (Drivers/Supervisors) of our network partners.

### B) Technology Absorption:

**E-Docket:** Your Company has rolled out first of kind Paperless Shipment Booking Process (e-AWB) for retail customers. We have created paperless booking process where the docket (AWB) is captured through a Mobile Application and the copy is being shared to Customer as PDF through e-mail and WhatsApp. This implementation has been very successful with 99% compliance level. As a next phase the e-docket facility is being extended for our MSME and Strategic Credit Customers during the coming Financial Year.

**GEMS 2.0:** Your Company has partnered with a Leading Global Technology Company to revamp entire core Operational System (i.e.) Gati Enterprise Management System (GEMS). This would be a transformational project named GEMS 2.0 and would be a state of art product making the Company fully digital. GEMS 2.0 would be rolled out as modules over next two years.

**E-POD (Electronic - Proof of Delivery):** Our delivery mobile application has been enhanced with Machine Learning (ML) features to ensure quality e-POD through necessary image validation rules. Concept has been successfully piloted in multiple operating units and pan India roll out would be completed by Q1FY24.

### C) Foreign Exchange earnings and outgo:

The particulars of earning and expenditure in foreign exchange during the year are given as follows:

Summary	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Foreign exchange earnings	56.01	-
Foreign exchange outgo	1.86	-

For and on behalf of the Board

**Shashi Kiran Shetty**

Chairman & Managing Director

DIN: 00012754

Place: Hyderabad

Date: August 04, 2023

# Annexure – D

## Board Policies

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value systems. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All our corporate governance policies are available on our website, at <https://www.gati.com/investor-relations/policies/>. The policies are reviewed by the Board and updated based on need and new compliance requirements.

Key policies that have been adopted are as follows:

Sr. No.	Name of the policy	Brief Description	Web link
1	Whistleblower Policy (Policy on Vigil Mechanism)	The company has adopted a whistleblower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct and ethics.	<a href="https://www.gati.com/wp-content/uploads/2020/10/Gati-Whistle-Blower-Policy.pdf">https://www.gati.com/wp-content/uploads/2020/10/Gati-Whistle-Blower-Policy.pdf</a>
2	Code of Conduct and Ethics	The company has adopted the Code of Conduct and Ethics which forms the foundation of its ethics and compliance program.	<a href="https://www.gati.com/investor-relations/code-of-conduct/">https://www.gati.com/investor-relations/code-of-conduct/</a>
3	Insider Trading Policy	This policy provides the framework in dealing with securities of the company.	<a href="https://www.gati.com/wp-content/uploads/2022/07/Code-of-Conduct-to-Regulate-Monitor-and-Report-Trading-by-Designated-Persons.pdf">https://www.gati.com/wp-content/uploads/2022/07/Code-of-Conduct-to-Regulate-Monitor-and-Report-Trading-by-Designated-Persons.pdf</a>
4	Policy for determining Materiality for Disclosures	This policy applies to disclosures of material events affecting Gati and its subsidiaries.	<a href="https://www.gati.com/wp-content/uploads/2021/06/Policy-for-Determination-of-Materiality-and-archive.pdf">https://www.gati.com/wp-content/uploads/2021/06/Policy-for-Determination-of-Materiality-and-archive.pdf</a>
5	Risk Management Policy	This policy is framed with the objective of identification, evaluation, monitoring, controlling, managing and minimizing identifiable risks.	<a href="https://www.gati.com/wp-content/uploads/2022/06/Risk-Management-Policy.pdf">https://www.gati.com/wp-content/uploads/2022/06/Risk-Management-Policy.pdf</a>
6	Nomination and Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive and non-executive) and also the criteria for determining the remuneration of the directors, key managerial personnel and other employees.	<a href="https://www.gati.com/wp-content/uploads/2018/08/Remuneration-policy.pdf">https://www.gati.com/wp-content/uploads/2018/08/Remuneration-policy.pdf</a>
7	Corporate Social Responsibility Policy	This policy outlines the Company's strategy to bring about a positive impact on society through programs relating to hunger, poverty, education, healthcare, environment and lowering its resource footprint.	<a href="https://www.gati.com/wp-content/uploads/2021/06/CSR-Policy.pdf">https://www.gati.com/wp-content/uploads/2021/06/CSR-Policy.pdf</a>
8	Policy on Material Subsidiaries	This policy is used to determine the material subsidiaries and material non-listed Indian subsidiaries of the company and to provide the governance framework for them.	<a href="https://www.gati.com/pdf/Investors/announcements/Policy-on-material-subsidiaries.pdf">https://www.gati.com/pdf/Investors/announcements/Policy-on-material-subsidiaries.pdf</a>
9	Related Party Transaction Policy	This policy regulates all transactions between the company and its related parties.	<a href="https://www.gati.com/wp-content/uploads/2021/06/RPT-Policy.pdf">https://www.gati.com/wp-content/uploads/2021/06/RPT-Policy.pdf</a>
10	Code of Practices Procedures for Fair Disclosure of UPSI	This Code serves as a guiding charter for all concerned persons associated with the functioning of the company and their dealings in its securities. Further, the Code also seeks to ensure timely and adequate disclosure of Price Sensitive Information to the investor community / other relevant stakeholders, by the company to enable them to take informed decisions with regard to the Company's securities.	<a href="https://www.gati.com/wp-content/uploads/2019/04/Code-of-Practices-Procedures-for-Fair-Disclosure-of-UPSI.pdf">https://www.gati.com/wp-content/uploads/2019/04/Code-of-Practices-Procedures-for-Fair-Disclosure-of-UPSI.pdf</a>
11	Dividend Distribution Policy	This Policy lays down a broad framework for considering decisions by the Board of Directors of the Company with regard to distribution of dividend to its shareholders by striking a balance between pay-out and retaining earnings on the basis of the future growth strategy of the Company.	<a href="https://www.gati.com/wp-content/uploads/2021/06/Dividend-Distribution-Policy.pdf">https://www.gati.com/wp-content/uploads/2021/06/Dividend-Distribution-Policy.pdf</a>

Sr. No.	Name of the policy	Brief Description	Web link
12	Anti-Harassment and Anti-Discrimination Policy	Zero-tolerance policy towards any form of harassment or discrimination.	<a href="https://www.gati.com/wp-content/uploads/2023/04/Anti-Harassment-and-Anti-Discrimination-Policy.pdf">https://www.gati.com/wp-content/uploads/2023/04/Anti-Harassment-and-Anti-Discrimination-Policy.pdf</a>
13	Anti-trust and Anti-competitive Policy	This policy provides guidance to all associates about antitrust and competition laws and conducts business in fair, ethical and transparent manner.	<a href="https://www.gati.com/wp-content/uploads/2023/04/Anti-trust-and-Anti-competitive-Policy.pdf">https://www.gati.com/wp-content/uploads/2023/04/Anti-trust-and-Anti-competitive-Policy.pdf</a>
14	Board Diversity Policy	Promote diversity and inclusion across all levels within the organization.	<a href="https://www.gati.com/wp-content/uploads/2023/04/Anti-trust-and-Anti-competitive-Policy.pdf">https://www.gati.com/wp-content/uploads/2023/04/Anti-trust-and-Anti-competitive-Policy.pdf</a>
15	Code of Conduct on Ethics, Transparency and Accountability	Sets the tone of the way we conduct ourselves within the Company and also the way we conduct our business with stakeholders in line with our value of practicing highest standards of business ethics and humility.	<a href="https://www.gati.com/wp-content/uploads/2023/04/Code-of-Conduct-Ethics-Transparency-and-Accountability.pdf">https://www.gati.com/wp-content/uploads/2023/04/Code-of-Conduct-Ethics-Transparency-and-Accountability.pdf</a>
16	Corporate Tax Governance Policy	Policy on Tax principles, governance and risk management.	<a href="https://www.gati.com/wp-content/uploads/2023/04/Corporate-Tax-Governance-Policy.pdf">https://www.gati.com/wp-content/uploads/2023/04/Corporate-Tax-Governance-Policy.pdf</a>
17	Environment Policy	Policy entails approach towards Environmental aspects and acts as a guideline to manage the related impact and risk. This Policy will help us develop better environmental practices while conducting business and create value for relevant stakeholders.	<a href="https://www.gati.com/wp-content/uploads/2023/04/Environment-Policy.pdf">https://www.gati.com/wp-content/uploads/2023/04/Environment-Policy.pdf</a>
18	Sustainable Procurement Policy	Sets out principles and procedures for procurement and supplier sustainability assessment.	<a href="https://www.gati.com/wp-content/uploads/2023/04/Sustainable-Procurement-Policy.pdf">https://www.gati.com/wp-content/uploads/2023/04/Sustainable-Procurement-Policy.pdf</a>
19	Supplier Code of Conduct	Defines the basic requirements placed on the suppliers and third-party intermediaries of the Company, concerning their responsibilities towards their stakeholders and the environment.	<a href="https://www.gati.com/wp-content/uploads/2023/04/Supplier-Code-of-Conduct.pdf">https://www.gati.com/wp-content/uploads/2023/04/Supplier-Code-of-Conduct.pdf</a>
20	Health and Safety Policy	This policy conveys approach to integrate safety standards in our business processes, and our aim to identify, manage and mitigate health and safety threats.	<a href="https://www.gati.com/wp-content/uploads/2023/04/Health-and-Safety-Policy.pdf">https://www.gati.com/wp-content/uploads/2023/04/Health-and-Safety-Policy.pdf</a>
21	Stakeholder Engagement Policy	This stakeholder engagement policy is committed to being responsible, transparent, and accountable towards the citizens of society, especially in all communities where Company has its workspace and operations.	<a href="https://www.gati.com/wp-content/uploads/2023/04/Stakeholder-Engagement-Policy.pdf">https://www.gati.com/wp-content/uploads/2023/04/Stakeholder-Engagement-Policy.pdf</a>
22	Human Rights Policy	The Policy highlights Company's commitment towards Human Rights and contains Declaration of Human Rights and principles addressing fundamental rights set out in the Labour Organization's Declaration on Fundamental Principles and Rights at Work.	<a href="https://www.gati.com/wp-content/uploads/2023/04/Human-Rights-Policy.pdf">https://www.gati.com/wp-content/uploads/2023/04/Human-Rights-Policy.pdf</a>

For and on behalf of the Board

**Shashi Kiran Shetty**

Chairman &amp; Managing Director

DIN: 00012754

Place: Hyderabad  
Date: August 04, 2023

# Annexure – E

## REPORT ON CORPORATE GOVERNANCE

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), and the report contains the details of Corporate Governance systems and processes at Gati Limited ('Gati' or 'the Company').

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

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

As on March 31, 2023, the Company has Six Directors, of the Six Directors, five (i.e. 83.33 percent) are Non-Executive Directors out of which Three (i.e. 50.00 percent) are Independent Directors. The profiles of Directors can be found on <https://www.gati.com/about-us/management/bod/>. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013. The composition of the Board also represents an optimal mix of professionalism, knowledge, experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. 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.

During the current year, there has been changes in the composition of the Board of Directors which is detailed in the table below and accordingly as on date, the Company has eight Directors, of the eight Directors, seven (i.e. 87.50 percent) are Non-Executive Directors out of which four (i.e. 50.00 percent) are Independent Directors:

Name	Category
Mr. Shashi Kiran Shetty (DIN: 00012754)	Executive, Chairman & Managing Director
Mr. Kaiwan Kalyaniwalla (DIN: 00060776)	Non - Executive, Non-Independent Director
Mr. Dinesh Kumar Lal (DIN: 00037142)	Non - Executive, Independent Director
Mr. Nilesh Shivji Vikamsey (DIN: 00031213)	Non - Executive, Independent Director
Ms. Vinita Dang Mohoni (DIN: 01919140) <sup>(a)</sup>	Additional Non - Executive, Independent Director
Mr. Hetal Madhukant Gandhi (DIN: 00106895) <sup>(b)</sup>	Additional Non - Executive, Independent Director
Mr. Pirojshaw Aspi Sarkari (DIN: 00820860) <sup>(c)</sup>	Additional Non - Executive, Non-Independent Director
Mr. Ravi Jakhar (DIN: 02188690) <sup>(d)</sup>	Additional Non - Executive, Non-Independent Director
Ms. Cynthia D'souza (DIN: 00420046) <sup>(e)</sup> (Stepped-down)	Non - Executive, Independent Director
Mr. Yasuyuki Tani (DIN: 09683124) <sup>(f)</sup> (Stepped-down)	Non - Executive, Nominee Director
Mr. Yasuhiro Kaneda (DIN: 07619127) <sup>(g)</sup> (Stepped-down)	Non - Executive, Nominee Director

#### Notes:

<sup>(a)</sup> Appointed as Additional Non - Executive, Independent Director on the Board of the Company w.e.f. June 05, 2023.

<sup>(b)</sup> Appointed as Additional Non - Executive, Independent Director on the Board of the Company w.e.f. June 09, 2023.

<sup>(c)</sup> Appointed as Additional Non - Executive, Non-Independent Director on the Board of the Company w.e.f. June 09, 2023.

<sup>(d)</sup> Appointed as Additional Non - Executive, Non-Independent Director on the Board of the Company w.e.f. June 09, 2023.

<sup>(e)</sup> Resigned as Non - Executive, Independent Director of the Company w.e.f. June 09, 2023.

<sup>(f)</sup> Appointed as Additional Non - Executive, Nominee Director on the Board of the Company w.e.f. August 02, 2022 and Resigned as Non - Executive, Nominee Director of the Company w.e.f. June 08, 2023.

<sup>(g)</sup> Resigned as Non - Executive, Nominee Director of the Company w.e.f. July 01, 2022.

The composition of Board/Committees can be found on <https://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/she 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 hold directorship in more than ten public companies. None of the Independent Directors serve as an Independent Director on more than seven listed companies. None of the Directors of the Company is related to each other. Further, 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 as on March 31, 2023 and as on the current date is tabled below:

Name	No. of Directorships and Committee Membership / Chairmanship in other Public Companies			Directorship in other Listed Entity and Category of Directorship
	Other Directorships	Committee**		
		Chairmanship	Membership	
Mr. Shashi Kiran Shetty	4	0	1	(i) Allcargo Logistics Limited (Promoter, Executive Director)
Mr. Kaiwan Kalyaniwalla	5	0	3	(i) Allcargo Logistics Limited (Non-Executive, Non-Independent Director)
Mr. Dinesh Kumar Lal	4	1	6	(i) Raymond Limited (Non-Executive, Independent Director)
Mr. Nilesh Shivji Vikamsey	9	5	10	(i) Thejo Engineering Limited (Non-Executive, Non-Independent Director) (ii) IIFL Finance Limited (Non-Executive, Independent Director) (iii) 360 One Wam Limited (Formerly known as IIFL Wealth Management Limited) (Non-Executive, Independent Director) (iv) Allcargo Logistics Limited (Non-Executive, Non-Independent Director) (v) Thomas Cook (India) Limited (Non-Executive, Independent Director) (vi) PNB Housing Finance Limited (Non-Executive, Independent Director)
Ms. Vinita Dang Mohoni	2	1	2	NIL
Mr. Hetal Madhukant Gandhi	6	2	5	(i) Chalet Hotels Limited (Chairman, Non-Executive, Independent Director) (ii) Ami Organics Limited (Non-Executive, Independent Director) (iii) Shilpa Medicare Limited (Non-Executive, Independent Director) (iv) Syrma SGS Technology Limited (Non-Executive, Independent Director) (v) Singer India Limited (Non-Executive, Non-Independent Director)
Mr. Pirojshaw Aspi Sarkari	NIL	NIL	NIL	NIL
Mr. Ravi Jakhar	NIL	NIL	NIL	NIL

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

## List of Core Skills/ Expertise/ Competencies required and available with the Board

A chart or matrix setting out the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively are as under :-

Sr. No.	Names of Directors	Skill/Expertise/Competency				
		Finance and Accounting	Corporate Governance and Listing Regulations	Sales, Marketing And Programming	General Administration	Industry experience, Global Business & Business acumen
1.	Mr. Shashi Kiran Shetty	✓	✓	✓	✓	✓
2.	Mr. Kaiwan Kalyaniwalla	✓	✓	--	✓	✓
3.	Mr. Dinesh Kumar Lal	✓	✓	✓	✓	✓
4.	Mr. Nilesh Shivji Vikamsey	✓	✓	✓	✓	✓
5.	Ms. Vinita Dang Mohoni	--	--	✓	✓	✓
6.	Mr. Hetal Madhukant Gandhi	✓	✓	✓	✓	✓
7.	Mr. Pirojshaw Aspi Sarkari	✓	✓	✓	✓	✓
8.	Mr. Ravi Jakhar	✓	✓	✓	✓	✓

In the above table, specific areas of focus or expertise of individual Board members have been highlighted, however, the absence of a mark against a member's name does not necessarily mean that the member does not possess the corresponding qualification or skill.

## 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 2022-23, the Board met four times: on May 20, 2022, August 02, 2022, November 02, 2022, February 08, 2023. The necessary quorum was present at all the meetings. Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by Ministry of Corporate Affairs and Securities and Exchange Board of India, all Board Meetings in the financial year 2022-23 were held through Video Conferencing. 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 September 15, 2022 and also the shareholding.

Name	Category and Designation	Attendance particulars		No. of Equity shares
		Board meetings	Last AGM	
Mr. Shashi Kiran Shetty	Executive, Chairman & Managing Director	3/4	Yes	--
Mr. Kaiwan Kalyaniwalla	Non - Executive, Non-Independent Director	4/4	Yes	--
Mr. Dinesh Kumar Lal	Non - Executive, Independent Director	4/4	Yes	--
Mr. Nilesh Shivji Vikamsey	Non - Executive, Independent Director	4/4	Yes	--
Ms. Vinita Dang Mohoni (DIN: 01919140) <sup>(a)</sup>	Additional Non - Executive, Independent Director	NA	NA	--
Mr. Hetal Madhukant Gandhi (DIN: 00106895) <sup>(b)</sup>	Additional Non - Executive, Independent Director	NA	NA	--
Mr. Pirojshaw Aspi Sarkari (DIN: 00820860) <sup>(c)</sup>	Additional Non - Executive, Non-Independent Director	NA	NA	--
Mr. Ravi Jakhar (DIN: 02188690) <sup>(d)</sup>	Additional Non - Executive, Non-Independent Director	NA	NA	--
Ms. Cynthia D'souza (DIN: 00420046) <sup>(e)</sup> (Stepped-down)	Non - Executive, Independent Director	3/4	Yes	--
Mr. Yasuyuki Tani (DIN: 09683124) <sup>(f)</sup> (Stepped-down)	Non - Executive, Nominee Director	2/2	Yes	--
Mr. Yasuhiro Kaneda (DIN: 07619127) <sup>(g)</sup> (Stepped-down)	Non - Executive, Nominee Director	1/1	NA	--

### Notes:

<sup>(a)</sup> Appointed as Additional Non - Executive, Independent Director on the Board of the Company w.e.f. June 05, 2023.

<sup>(b)</sup> Appointed as Additional Non - Executive, Independent Director on the Board of the Company w.e.f. June 09, 2023.

<sup>(c)</sup> Appointed as Additional Non - Executive, Non-Independent Director on the Board of the Company w.e.f. June 09, 2023.

<sup>(d)</sup> Appointed as Additional Non - Executive, Non-Independent Director on the Board of the Company w.e.f. June 09, 2023.

<sup>(e)</sup> Resigned as Non - Executive, Independent Director of the Company w.e.f. June 09, 2023.

<sup>(f)</sup> Appointed as Additional Non - Executive, Nominee Director on the Board of the Company w.e.f. August 02, 2022 and Resigned as Non - Executive, Nominee Director of the Company w.e.f. June 08, 2023.

<sup>(g)</sup> Resigned as Non - Executive, Nominee Director of the Company w.e.f. July 01, 2022.

### 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;
- Declaration of dividend, if any;
- Minutes of meetings of the Audit Committee and other Committees;
- Contract in which Directors 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.

In the path of digitalization and with a view to ensure its commitment to Go-Green initiative of the Government, the Company circulates to its Directors, notes for Board/Committee meetings through an electronic platform thereby ensuring high standards of security and confidentiality of Board papers.

### Board Support

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the Agenda and convening of the Board and Committee meetings. The Company Secretary attends all the meetings of the Board and its Committees, either in the capacity of Secretary of the Committees or Member of the Committee. The Company Secretary advises / assures the Board and its Committees on Compliance and Governance principles and ensures appropriate recording of minutes of the meetings.

### 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. <https://www.gati.com/investor-relations/code-of-conduct/>.

### Appointment and Tenure of Directors

The Directors of the Company are appointed / re-appointed by the Board on the recommendations of the Nomination and Remuneration Committee and approval of the Members at the General Meetings. In accordance with the Articles of Association of the Company, not less than two-thirds of the total number of Directors other than Independent Directors of

the Company, are liable to retire by rotation at the AGM each year and, if eligible, offer themselves for re-election.

As regards the appointment and tenure of the Independent Directors, following is the policy adopted by the Board:

- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and the Listing Regulations. The Company has also received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and Listing Regulations.
- The Independent Directors will serve a maximum of two terms of five years each, after the introduction of the Companies Act, 2013.
- The Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by provisions of the Companies Act, 2013 and the Listing Regulations.
- In accordance, with the Listing Regulations, the Company shall ensure that the appointment of any Non-Executive Director who has attained the age of 75 years is approved by the Members by way of a Special Resolution.
- In accordance, with the Listing Regulations, the Company shall ensure that the approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

### Declaration by Independent Directors

The Company has on its Board, eminent Independent Directors who have brought in independent judgement to Board's deliberations including issues of strategy, risk management and overall governance. They have played a pivotal role in safeguarding the interests of all stakeholders.

The Independent Directors have submitted declarations that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations and have confirmed that they do not hold directorship more than the prescribed limit in the Listing Regulations. The Company has also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013 read with the Rules issued thereunder.

### Separate meeting of the Independent Directors

Schedule IV of the Companies Act, 2013, Listing Regulations and Secretarial Standard - 1 on Meetings of the Board of Directors mandates that the Independent Directors of the Company hold at least one meeting in a year, without the attendance of Non – Independent Directors. During the financial year 2022-23, one meeting of the Independent Directors was held on March 14, 2023. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Director, Board as a whole and Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

### Familiarisation programmes to Independent directors

The Board familiarization programme comprises of updation on Statutory laws, Business outlook and functional issues.

All Independent Directors are taken through a familiarization programme on an annual basis that covers the background

of the Company and its growth over the last several decades, various milestones in the Company's existence since its incorporation, the present structure and an overview of the businesses and functions. The Independent Directors are highlighted on the constitution, Board procedures, matters reserved for the Board and major risks facing the business and mitigation programmes. The Independent Directors are made aware of their roles and responsibilities at the time of their appointment and a detailed Letter of Appointment is issued to them.

In the Board Meetings, all facts of the business and related functional issues are discussed in order to provide a good understanding of the business to the Independent Directors. These programmes give an opportunity for the Board to interact with the next level of management. To make these sessions meaningful and insightful, pre-reads are circulated in advance. There are opportunities for Independent Directors to interact amongst themselves every quarter.

The details of programs for familiarization of the Independent Directors are available on the Company's website and can be accessed through the web link: <https://www.gati.com/investor-relations/familiarization-programmes/>.

### Committees of the Board

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities as mandated by applicable regulation; which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board, as a part of good governance practice. The Chairperson of the respective Committees informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

The Company has five Board-level Committees, namely:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee
5. Risk Management 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 Listing Regulations.

The primary responsibilities of the Audit Committee are to:

- i. overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statement are correct, sufficient and credible;

- ii. reviewing and examining with management the quarterly and annual financial results and the auditors' report thereon before submission to the Board for approval;
- iii. reviewing the Management Discussion and Analysis of the financial condition and result of operations;
- iv. reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- v. formulating in consultation with the Internal Auditor, the scope, functioning, periodicity and methodology for conducting the internal audit;
- vi. reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- vii. evaluating internal financial controls and risk management systems;
- viii. reviewing and monitoring the auditor's independence and performance and effectiveness of audit process; reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- ix. recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- x. Ensure that adequate safeguards have been taken for legal compliance for the Company;
- xi. reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- xii. reviewing the functioning of the Whistle Blowing mechanism;
- xiii. any other matter referred to by the Board of Directors.

The Audit Committee comprises of Independent Directors and Non-Executive Directors as on March 31, 2023. 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 2022-23, the Audit Committee met four times viz., on May 20, 2022, August 02, 2022, November 02, 2022 and February 08, 2023. The below table gives the composition and attendance record of the Audit Committee and the Company Secretary of the Company act as the secretary of the Committee.

Sr. No.	Name	Position	Number of meetings during the financial year	
			Held	Attended
1	Mr. Nilesh Shivji Vikamsey	Chairman	04	04
2	Mr. Dinesh Kumar Lal	Member	04	04
3	Mr. Kaiwan Kalyaniwalla	Member	04	04

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 interacts with the Auditors of the Company, separately.

Mr. Nilesh Shivji Vikamsey, Chairman of the Audit Committee has attended the previous Annual General Meeting held on September 15, 2022.

### Nomination & Remuneration Committee:

The Board has constituted Nomination & Remuneration Committee consisting of three Independent Directors and one Non-Independent Director. The terms of reference of the Committee covers evaluation of compensation and benefits for Executive Director(s), Non-Executive Director(s), Senior Management Employees, framing of policies and systems of the Employee Stock Appreciations Rights Plan 2021 and looking after the issues relating to major HR policies.

During the financial year 2022-23, the Committee met one time i.e., on February 08, 2023. The below table gives the composition and attendance record of the Nomination & Remuneration Committee and the Company Secretary of the Company act as the secretary of the Committee.

Sr. No.	Name	Position	Number of meetings during the financial year	
			Held	Attended
1.	Mr. Dinesh Kumar Lal	Chairman	01	01
2.	Mr. Nilesh Shivji Vikamsey	Member	01	01
3.	Ms. Cynthia D'Souza	Member	01	01
4.	Mr. Yasuyuki Tani	Member	01	00

### Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Companies Act, 2013, Listing Regulations and the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017 and based on the criteria set by the Nomination & Remuneration Committee. An online platform has been provided to each Director for their feedback and evaluation.

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

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

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

The Board and the Nomination & Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In the board meeting that followed the meeting of the independent directors and meeting of Nomination & Remuneration Committee, the performance of the board, its committees and individual directors was also discussed.

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

### Remuneration policy

The Nomination & Remuneration Policy of your company is available on the website of the company i.e. <https://www.gati.com/investor-relations/policies/>

### Directors Remuneration

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

#### a) Executive Director: - NIL

#### b) Non-Executive Directors: -

The Sitting fee and commission (if any), payable to the Non-Executive Directors during the year under review is in conformity with the applicable provisions of the Companies Act, 2013 and the Company ensures that it has been duly considered and approved by the Board and the shareholders (if any).

The details of sitting fee paid to the Non-Executive, Independent Directors during the financial year 2022-23 are as follows:

Name	Sitting fee	Commission
	(₹)	(₹)
Mr. Dinesh Kumar Lal	1,80,000	---
Ms. Cynthia D'souza	1,05,000	---
Mr. Nilesh Shivji Vikamsey	2,00,000	---
<b>TOTAL</b>	<b>4,85,000</b>	<b>---</b>

No Commission for the financial year 2022-23 was paid to the Directors.

Other than above and as disclosed in the related party transaction statement, there are no pecuniary or business relationship between the Non-Executive Directors and company and also between all the Directors.

### Stakeholders Relationship Committee:

The Board has constituted Stakeholders Relationship Committee consisting of majority of Independent Directors and a Non-Executive Director.

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:

- Consider and resolve the grievances of shareholders of the Company with respect to transfer & transmission of shares, non-receipt of annual report, non-receipt of declared dividend, etc;
- Evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company;
- Provide guidance and make recommendations to improve investor service levels for the investors;
- Any other matter referred to by the Board of Directors.

During the financial year 2022-23, the Committee met one time i.e., on February 08, 2023. The below table gives the composition and attendance record of the Stakeholders Relationship Committee. The Company Secretary of the Company act as the secretary of the Committee and also designated as Compliance Officer.

Sr. No.	Name	Position	Number of meetings during the financial year	
			Held	Attended
1.	Ms. Cynthia D'souza	Chairperson	01	01
2.	Mr. Kaiwan Kalyaniwalla	Member	01	01
3.	Mr. Yasuyuki Tani	Member	01	01

In order to expedite the process of transfers of shares, transmission of shares etc., the Board has constituted an internal Share Transfer Committee and have delegated the powers to certain officers of the Company who are the members of the said committee.

An analysis of the investor complaints received and redressed during the financial year 2022-23 is given below:

Sr. No.	Nature of Complaint	Received	Disposed	Pending	Not resolved to the satisfaction of shareholders
1	Non receipt of dividend warrants	Nil	Nil	Nil	Nil
2	Non receipt of Annual Report	Nil	Nil	Nil	Nil
3	Non receipt of stock split shares	Nil	Nil	Nil	Nil

#### Name, designation and address of Compliance Officer:

**Mrs. T.S. Maharani**

Company Secretary & Compliance Officer

Western Pearl, 4<sup>th</sup> floor, Survey No. 13(p), Kondapur,

Hyderabad, Rangareddi – 500084, Telangana, India

Tel: +91 040 7120 4284, Fax: +91 040 2311 2318

Email: investor.services@gati.com, Website: [www.gati.com](http://www.gati.com)

The company obtains yearly certificate from a company Secretary in Practice under Regulation 40(9) of the Listing Regulations, confirming the issue of certificates for transfer, sub-division, consolidation etc. and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(10) of the Listing Regulations. Further, the compliance certificate under Regulation 7(3) of the Listing Regulations, confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent registered with the Securities and Exchange Board of India is also filed with Stock Exchanges on an annual basis.

In accordance with Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and SEBI Circular No. D&CC/FITTC/Cir- 16/2002 dated December 31, 2002, a qualified practicing company secretary carried out a share capital audit to reconcile the total admitted equity share capital with NSDL and CDSL and the total issued and listed equity share capital. The Audit Report confirms that the total issued and paid-up share capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

#### 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.
- Any other matter referred to by the Board of Directors.

The Board has constituted Corporate Social Responsibility Committee consisting of two Independent Directors and one Non-Independent Director.

During the period under review, there was no Committee meetings held as there was no average profits of the Company during the last three preceding financial years. The below table gives the composition of the Corporate Social Responsibility Committee and the Company Secretary of the Company act as the secretary of the Committee

Sr. No.	Name	Position	Number of meetings during the financial year	
			Held	Attended
1.	Mr. Kaiwan Kalyaniwalla	Chairman	NIL	NIL
2.	Ms. Cynthia D'souza	Member	NIL	NIL
3.	Mr. Dinesh Kumar Lal	Member	NIL	NIL

The details of the CSR initiatives as per the CSR Policy of the Company forms part of the CSR Section in the Annual Report.

**Risk Management Committee:**

The Board has constituted Risk Management Committee consisting of one Independent Director, two Non-Independent Directors as Members of the Company.

The terms of reference of the Committee covers the following:-

- Frame, Monitor and Implement the Risk Management Plan and Policy of the Company and review the Company's risk governance structure, risk assessment and risk management practices and guidelines, procedures for risk assessment and risk management;
- Adopting polices, systems for maintaining information/ cyber security of the Company from preventing of global hacking incidents, losing of sensitive, confidential data etc;
- Identify, Review and Monitor risks of each business vertical and functions of the Company including strategic, financial, operational, currency, work place environment, safety & information security, regulatory and reputational risk periodically;
- Continually obtaining reasonable assurance from management heads of each business vertical that all known and emerging risks have been identified and mitigated or managed;
- Framing guidelines, policies and processes for monitoring and mitigating risks;
- Setting strategic plans and objectives for risk management and risk minimization;
- Overseeing the risk management process, controls, fraud risk assessment, risk tolerance, capital liquidity and funding;
- Review compliance with risk policies, monitor breach/ trigger trips of risk tolerance limits and direct action;

- Development and deployment of risk mitigation plans to reduce the vulnerability to the prioritized risks and provide oversight of risk across organisation;
- Maintain, update and review Risk Registers from time-to-time;
- Delegate authorities from time-to-time to the Committee Members, Executives, Authorized persons to implement the decisions of the Committee and execution of necessary documents;
- To achieve sustainable business growth, protect the Company's assets, safeguard Members investment, ensure compliance with applicable laws and regulations and avoid major surprises of risks;
- To obtain advice and assistance from internal or external legal, accounting or other advisors;
- Periodically reporting to the Board;
- Performing such other functions as may be necessary or directed by the Board.

During the financial year 2022-23, the Committee met twice i.e., on July 22, 2022 and January 18, 2023. The below table gives the composition and attendance record of the Risk Management Committee and the Company Secretary of the Company act as the secretary of the Committee.

Sr. No.	Name	Position	Number of meetings during the financial year	
			Held	Attended
1.	Mr. Nilesh Shivji Vikamsey	Chairman	02	02
2.	Mr. Kaiwan Kalyaniwalla	Member	02	02
3.	Mr. Pirojshaw Sarkari	Member	02	02

**General Body Meetings****(a) Annual General Meeting:**

Year(s)	Date of AGM	Time	Venue	No. of Special resolutions passed
2021-22	September 15, 2022	3:00 P.M.	Meeting conducted through VC/OAVM pursuant to the MCA Circulars.	1
2020-21	September 22, 2021	3:00 P.M.	Meeting conducted through VC/OAVM pursuant to the MCA Circulars.	Nil
2019-20	December 28, 2020	3:00 P.M.	Meeting conducted through VC/OAVM pursuant to the MCA Circulars.	3

**(b) Extra-ordinary General Meeting:**

During the year under review, there were no Extra-Ordinary General Meetings of the Shareholders of the Company.

**(c) Postal Ballot:**

During the year under review, there were no Postal Ballot Resolutions were passed by the Shareholders of the Company.

**Disclosures**

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

There are no material related party transactions during the year that have conflict with the interest of the Company. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arm's length basis and were approved by the Audit Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company i.e., <https://www.gati.com/investor-relations/policies/>.

- ii. There were no 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 except the following:

Sr. No.	Action taken by	Details of violation	Details of action taken (E.g. fines/penalty)	Action taken by the Company
1	BSE Limited	Late submission of Annual Report under clause 31 of erstwhile listing agreement for the period ended March 2014.	Imposing of Penalty of ₹ 55,460/- including GST, during the financial year 2021-22.	Company has paid the same to BSE Limited in time.

Further, as per the Annual Secretarial Compliance Report issued by M/s. Puttaparthi Jagannatham & Co., no instances of non-compliances were observed by them during the year.

- iii. Whistle blower policy:

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of 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., <https://www.gati.com/investor-relations/policies/>.

- iv. The Company has complied with all mandatory requirements of Listing Regulations.

- v. Subsidiary Companies:

The Board of Directors has reviewed the financial statements and minutes of the Board meetings of Gati Express & Supply Chain Private Limited (formerly known as "Gati-Kintetsu Express Private Limited" w.e.f. July 27, 2023) ("GES CPL"), the materialy unlisted subsidiary company. The policy for determining 'material' subsidiaries is available on the website of the Company i.e., <https://www.gati.com/investor-relations/policies/>. Further, the Board of Directors has also reviewed the financial statements and minutes of the board meetings of all other subsidiary companies of the company.

- vi. Disclosure of commodity price risks and commodity hedging activities: Not Applicable.

- vii. The Company is preparing its financial statements in line with the Ind-AS, as notified by the Ministry of Corporate Affairs.

- viii. During the financial year 2022-23, Company has raised ₹ 52,49,99,610/- with respect to the seventy five percent of the total consideration through preferential issue by issuing and allotting 71,61,120 Equity Shares of face value of ₹ 2/- each for cash at a price of ₹ 97.75/- (including premium of ₹ 95.75/- per Equity Shares) to Allcargo Logistics Limited (Promoter). Details of utilization of funds raised through preferential allotment as specified under Regulation 32(7A) of the Listing Regulations are given below: -

Object of the Issue as per Extra-ordinary General Meeting Notice	Utilization of Funds up to March 31, 2023 (In ₹)	Unutilized amount as at March 31, 2023 (In ₹)
(i) to repay debt	52,49,99,610.00/-	51,13,12,499.00/-
(ii) to meet working capital requirement		
(iii) General Corporate Purpose		
(iv) Granting of Inter-Corporate Deposits <sup>@</sup>		

Notes:

<sup>@</sup>Additional objective for utilization of the proceeds of the Preferential Issue of Warrants made during FY 2021-22 by the Company, approved by the shareholders of the Company vide Special Resolution passed at the 27<sup>th</sup> Annual General Meeting held on September 15, 2022.

- ix. Total Fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part is given below:

Type of Service	Amount in Lakhs
Audit Fees	67
Tax Audit	-
Certification and other Fees	1
<b>Total</b>	<b>68</b>

- x. A Certificate has been received from M/s. Puttaparthi Jagannatham & Co., Practising Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such authority.

- xi. During the financial year 2022-23, no complaints regarding sexual harassment was received by the Company.

- xii. During the financial year 2022-23, Board had accepted all the recommendation of committees of the Board.

- xiii. Disclosure by Company and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:

There are no loans and advances given by the Company and its subsidiaries to firms/companies in which directors are interested during the financial year 2022-23.

- xiv. Details of material subsidiaries of the Company: including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

Gati Express & Supply Chain Private Limited (formerly known as "Gati-Kintetsu Express Private Limited" w.e.f.

July 27, 2023) ("GESCP") is a material subsidiary of the Company under the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which was incorporated on November 14, 2007 in Hyderabad as Gati Skyways Limited. The members of GKEPL have appointed M/s S.R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration No.: 101049W/E300004) as statutory auditors of GKEPL w.e.f. September 12, 2022.

### 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 Listing Regulations.

### Non-Mandatory Requirements

#### Audit qualification

During the year under review, there is no audit qualification on the company's Financial Statements.

#### Reporting of Internal Auditor

The Internal Auditor exercises an Independent Audit and has direct access to the Audit Committee and he participates in the meetings of the Audit Committee of the Board of Directors of the Company and presents his internal audit observations to the Audit Committee.

#### CMD / CEO and CFO Certification:

The CMD / CEO and CFO of the Company provided certification on financial reporting and internal controls for the financial year 2022-23 to the Board of Directors at their meeting held on May 19, 2023, as required under Regulation 17(8) of Listing Regulations.

### Means of Communication

#### i. Publication of results

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

#### ii. Website and News Release

The quarterly, half-yearly & nine months un-audited financial results and annual audited financial results are available on the website of the Company i.e. [www.gati.com](http://www.gati.com). Official news releases, detailed presentations made to media, analysts, etc are available on the website of the Company i.e. [www.gati.com](http://www.gati.com). Your Company also makes timely disclosures of necessary information to BSE Limited and National Stock Exchange of India Limited in terms of the Listing Regulations and other rules and regulations 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](http://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 programs imparted to Independent Directors;
- Policy for determination of materiality of events;
- Investor Presentations.

#### 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 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:** September 04, 2023

**Time:** 3:00 PM

**Mode of Meeting:** Video Conferencing/Other Audio-Visual Means

**Deemed Venue:** Registered Office of the Company situated at Western Pearl, 4<sup>th</sup> Floor, Survey No. 13(p), Kondapur, Hyderabad, Rangareddi – 500084, Telangana, India.

#### Financial Calendar

Financial Year - 1<sup>st</sup> April to 31<sup>st</sup> March

#### Tentative calendar for declaration of financial results in Financial Year 2023-2024

Results for the quarter ended June 30, 2023	Declared on August 04, 2023
Results for the quarter ended September 30, 2023	on or before November 14, 2023
Results for the quarter ended December 31, 2023	on or before February 14, 2024
Results for the year ended March 31, 2024	on or before May 30, 2024

### Record date/Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from Monday, August 28, 2023 to Monday, September 04, 2023 (both days inclusive).

### Dividend

In view of the loss incurred by the Company during the year, the Directors have not recommended any dividend on the equity shares of the Company for the financial year ended March 31, 2023.

### Credit Rating

During the financial year 2022-23, CARE Ratings Limited has revised the credit ratings of the Company vide its letter dated December 01, 2022, details of credit rating assigned by CARE Ratings Limited are given below:

Facilities/ Instruments	Amount (In Crs)	Revised Rating (December 01, 2022)	Remarks
Fixed Deposits	3.02	Care BBB; Stable	Reaffirmed

### Unpaid/Unclaimed Dividends:

Pursuant to Sections 124 and 125 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF") set up by the Central Government. Accordingly, the company has transferred to IEPF the following unpaid or unclaimed dividends and their corresponding shares during the financial year 2022-23:

Particulars	Amount of Dividend (in ₹)
Dividend for the Financial Year 2014-15	8,96,126/-

The shareholders are requested to verify their records and claim their unclaimed dividends for the past years, if not claimed. The details of outstanding dividend accounts are given below.

Sr. no	Dividend for the year	Dividend %	Date of declaration	Due date for transfer
1	2015-16: Final	50	04.08.2016	03.09.2023
2	2016-17: Final	40	01.08.2017	31.08.2024
3	2017-18: Final	45	18.09.2018	17.10.2025
4	2018-19: Final	40	25.09.2019	24.10.2026

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 15, 2022 (date of last AGM) on the Company's website i.e., <https://www.gati.com/investor-relations/unclaimed-dividend-details/> and on the website of the Ministry of Corporate Affairs at [www.iepf.gov.in/](http://www.iepf.gov.in/).

### Unclaimed Equity Shares:

Section 124(6) read with the 'Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016' ('Rules'), as amended, requires that all shares, in respect

of which dividend has not been claimed for seven consecutive years or more (relevant shares), shall be transferred by the Company in the name of IEPF along with statement containing such details as may be prescribed by the authority from time to time. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining transfer of the shares.

Accordingly, during the year under review, your Company has transferred 42,083 shares pertaining to the FY 2014-15 to the Investor Education & Protection Fund Authority, as required in accordance with the Rules.

The Company has appointed a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company i.e. <https://www.gati.com/investor-relations/unclaimed-dividend-details/>.

### Guidance for Investor to file claim

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same, duly signed to the Company/Registrar & Share Transfer Agent, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred. Further, the Shareholders/claimant can file only one consolidated claim in a financial year as per the rules.

### Unclaimed Shares as per Regulation 39 of the Listing Regulations:

As per the provisions of Regulation 39 of the Listing Regulations, the unclaimed shares lying in the possession of the Company are required to be dematerialized and transferred into a special Demat account held by the Company. The Company has already sent reminders to the shareholders for Claiming those shares at their latest available address(es) with the Company or Depository, as the case may be. Accordingly, unclaimed shares lying with the Company have been transferred and dematerialized in a "Gati Limited - Unclaimed Suspense Account" of the Company. This Account is being held by the Company purely on behalf of the shareholders entitled for these shares.

It may also be noted that all the corporate benefits accruing on these shares like bonus, split etc., if any, shall also be credited to the said "Unclaimed Suspense Account" and the voting rights on these shares shall remain frozen until the rightful owner has claimed the shares. Shareholders who have not yet claimed their shares are requested to immediately approach the Secretarial Department of the Company or Registrar & Share Transfer Agent of the Company by forwarding a request letter duly signed by the shareholders furnishing their complete postal address along with PIN code, a copy of PAN card & proof of address, and for delivery in demat form, a copy of Demat Account - Client Master Report duly certified by the Depository Participant (DP) and a recent Demat Account Statement, to enable the Company to release the said shares to the rightful owner.

The status of equity shares lying in the Suspense Account as on March 31, 2023 is as under:

Sr. No.	Particulars	No. of shareholders	No. of equity shares held
1	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	12	1325
2	Number of shareholders who approached the Company (with complete documentation) for transfer of shares from the Unclaimed Suspense Account during the year	0	0
3	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year;	0	0
4	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year.	12	1325

The dividend on the shares in the Unclaimed Suspense Account will be remitted to the Shareholders on their claiming the shares, till such time, that dividend will be available in the Unpaid Dividend Bank Account.

### 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 persons 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](http://www.gati.com).

### 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, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.

Listing Fees as applicable have been paid.

### Stock Code:

- a) Trading scrip code on BSE : 532345  
 b) 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, 2023 are as under:

Month	NSE		BSE	
	High	Low	High	Low
Apr-2022	194.90	160.10	194.65	163.00
May-2022	171.35	132.00	171.80	132.10
Jun-2022	143.00	126.00	143.00	126.00
Jul-2022	151.50	132.45	151.45	132.45
Aug-2022	176.00	146.45	175.90	146.60
Sep-2022	195.10	156.60	195.25	156.60
Oct-2022	186.90	156.80	186.80	156.80
Nov-2022	182.25	161.00	182.30	161.10
Dec-2022	165.45	134.10	165.05	134.20
Jan-2023	161.10	136.00	161.00	136.15
Feb-2023	145.80	110.50	145.70	109.45
Mar-2023	120.35	97.50	120.25	97.65

### Share price performance in comparison to broad based indices - BSE & NSE

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, 2022	166.70	17,670.45	166.55	59,276.69
As on March 31, 2023	100.50	17,359.75	100.70	58,991.52
Changes (%)	(39.71)	(1.76)	(39.54)	(0.48)

Total equity as on March 31, 2023 was 13,01,30,117 (previous year 12,29,68,997) 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:

### Link Intime India Private Limited

C -101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Maharashtra

Tel. No.:- +91 22 49186270

E-mail:- [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Website:- [www.linkintime.co.in](http://www.linkintime.co.in)

A summary of approved transfers, transmissions, deletion requests, etc. are placed before the Board of Directors from time to time as per the Listing Regulations.

### Dematerialization of Shares and liquidity

Break up of shares in physical and demat form as on March 31, 2023:

Particulars	No of Shares	%
Physical Segment (A)	6,27,562	0.48
NSDL	4,47,06,810	34.36
CDSL	8,47,95,745	65.16
<b>Total (A+B)</b>	<b>13,01,30,117</b>	<b>100.00</b>

The Securities and Exchange Board of India (SEBI) at its Board Meeting held on March 28, 2018 revised the provisions relating to transfer of listed securities and decided that requests for effective transfer of listed securities shall not be processed unless the securities are held in the dematerialized form with a depository participant. The said measure of SEBI is aimed at curbing fraud and manipulation risk in physical transfer of securities by unscrupulous entities. Transfer of securities only in demat form will improve ease, convenience and safety of transactions for investors. The said amendment got notified and is effective from April 1, 2019. Further, SEBI has fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode.

Further, SEBI Vide its circular dated January 25, 2022 has directed that the Company while processing the below-mentioned requests also, shall issue the securities in dematerialised form only:

- Issue of duplicate securities certificate;
- Claim from Unclaimed Suspense Account;
- Renewal / Exchange of securities certificate;
- Endorsement;
- Sub-division / Splitting of securities certificate;
- Consolidation of securities certificates/folios;
- Transmission;
- Transposition

Shareholders intending to lodge any of the aforesaid request are mandatorily required to do so in the specific Form specified by SEBI in this regard (Form ISR-4) along with the documents / details specified therein.

Shareholders are also requested to keep record of their specimen signature before lodgment of shares with the Company to avoid probability of signature mismatch at a later date.

Quote Folio No. / DP ID No.

Shareholders / Beneficial Owners are requested to quote their Folio Nos. / DP ID Nos., as the case may be, in all correspondence with the Company.

Shareholders are also requested to quote their E-mail IDs, Contact / Fax numbers for prompt reply to their correspondence.

Shareholders who continue to hold shares in physical form are advised to dematerialize their shares at the earliest. For any clarification, assistance or information, relating to dematerialization of shares the Company's RTA may be contacted.

### Secretarial Audit

The Company has undertaken secretarial audit for the financial year 2022-23 which, inter alia, includes audit of compliance with the Companies Act, 2013 and the rules made thereunder, 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.

### Distribution of equity shareholding as on March 31, 2023:

No. of shares	No. of account	% of total account	No. of shares	% to Total shares	
1	1000	81464	88.7253	16569080	6.3664
1001	2000	4491	4.8913	7100544	2.7282
2001	4000	2860	3.1149	8764568	3.3676
4001	6000	1003	1.0924	5061456	1.9448
6001	8000	530	0.5772	3779750	1.4523
8001	10000	425	0.4629	4015986	1.5431
10001	20000	588	0.6404	8528146	3.2768
20001	And above	455	0.4956	206440704	79.3209
<b>TOTAL</b>		<b>91816</b>	<b>100</b>	<b>260260234</b>	<b>100</b>

### Categories of equity shareholding as on March 31, 2023:

Sr. No	Category	No. of equity shares held	% of holding
1	Company Promoter / Promoter group	69105889	53.11
2	Foreign Institutional Investors	2914661	2.24
3	Banks / Mutual Funds / NBFC	160565	0.12
4	Bodies Corporate	6572224	5.05
5	Individuals / HUF	44450828	34.16
6	Non Resident Indians	1795374	1.38
7	Foreign Corporate Bodies	4329484	3.33
8	IEPF	744946	0.57
9	Clearing Members / Trusts	55786	0.04
10	Foreign Nationals	360	0.00
<b>TOTAL</b>		<b>130130117</b>	<b>100</b>

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

During the financial year 2022-23, Company has raised ₹ 52,49,99,610/- with respect to seventy five percent of the total consideration through preferential issue by issuing and allotting 71,61,120 Equity Shares of face value of ₹ 2/- each for cash at a price of ₹ 97.75/- (including premium of ₹ 95.75/- per Equity Shares) to Allcargo Logistics Limited (Promoter/ACL) as prescribed under the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") for allotment of the equity warrants. Subsequent to the conversion of warrants held by ACL, the percentage of shareholding of the ACL increased from 47.30% to 50.20% of the paid-up share capital of the Company.

Except as mentioned above, the Company has not issued any GDR/ADR or any convertible instruments. Further, details related to the ESARs granted to the employees pursuant to ESAR Plan 2021 is provided in the Directors' Report forming part of this Annual Report.

**Plant Location:** None

**Address for Correspondence**

All Members' correspondence should be forwarded to Link Intime India Private Limited, the Registrar and Transfer Agent of the Company or to the Secretarial Department at the Registered Office of the Company at the addresses mentioned below.

**Link Intime India Private Limited**

(Unit Gati Limited)

C - 101, 247 Park, L.B.S. Marg,

Vikhroli (West), Mumbai – 400 083

Maharashtra

Toll-free No.: 1800 1020 878

Fax: 022 4918 6060

E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

**Gati Limited**

Secretarial Department

Western Pearl, 4<sup>th</sup> Floor, Survey No. 13(p), Kondapur, Hyderabad  
Rangareddi – 500084, Telangana, India.

Tel: 040 7120 4284

Fax: 040 2311 2318

E-mail: [investor.services@gati.com](mailto:investor.services@gati.com)

website: [www.gati.com](http://www.gati.com)

**SEBI Complaints Redress System (SCORES):**

The investors' complaints are also being processed through the centralized web base complaint redressal system of SEBI. The salient features of SCORES are availability of centralized database of the complaints and uploading online action taken reports by the Company. Through SCORES the investors can view online the action taken and current status of the complaints.

**Declaration**

As provided under Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 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, 2023.

For **Gati Limited**

**Shashi Kiran Shetty**

Chairman & Managing Director

DIN: 00012754

Place: Hyderabad

Date: August 04, 2023

## CERTIFICATE ON CORPORATE GOVERNANCE

To  
The members of  
**GATI Limited**  
Western Pearl, 4<sup>th</sup> Floor, Survey No. 13(P),  
Kondapur, Hyderabad, Telangana – 500084.

We have examined the relevant records relating to compliance of conditions of Corporate Governance by GATI Limited (“the Company”), for the year ended March 31, 2023, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) as referred to in Regulation 15(2) of the Listing Regulations for the year ended March 31, 2023.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Regulations, as applicable.

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

For **Puttaparthi Jagannatham & Co.**  
Company Secretaries

**CS Navajyoth Puttaparthi**  
Partner

FCS No: 9896; C P No: 16041  
Peer Review Certificate No. 1158/2021  
UDIN: F009896E000320668

Place: Hyderabad  
Date: May 17, 2023

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(As per clause C of Schedule V of the Securities Exchange Board of India

(Listing Obligations and Disclosure Requirement) Regulations, 2015 read with Regulation 34(3) of the said Listing Regulations).

To  
The members of  
**GATI Limited**  
Western Pearl, 4<sup>th</sup> Floor, Survey No. 13(P),  
Kondapur, Hyderabad, Telangana – 500084.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of GATI Limited, having CIN L63011TG1995PLC020121 and having its registered office at Western Pearl, 4<sup>th</sup> Floor, Survey No. 13(P), Kondapur, Hyderabad - 500084, Telangana, India, (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/ Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in the Company
1	Yasuhiro Kaneda	07619127	04/11/2016
2	Shashi Kiran Janardhan Shetty	00012754	04/02/2020
3	Kaiwan Dossabhoy Kalyaniwalla	00060776	04/02/2020
4	Dinesh Kumar Lal	00037142	03/07/2020
5	Cynthia D'souza	00420046	03/07/2020
6	Nilesh Shivji Vikamsey	00031213	05/02/2021
7	Yasuyuki Tani	09683124	02/08/2022

Ensuring the eligibility of for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate 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 **Puttaparthi Jagannatham & Co.**  
Company Secretaries

**CS Navajyoth Puttaparthi**  
Partner

FCS No: 9896; C P No: 16041

Peer Review Certificate No. 1158/2021

UDIN: F009896E000566056

Place: Hyderabad  
Date: May 17, 2023

# Management Discussion and Analysis Report

## Indian Economic Overview

Amidst uncertain global economic outlook, Indian economy exhibited signs of resilience. Strong economic growth helped India overcome the UK to become the fifth-largest economy after it recovered from COVID-19 pandemic shock. India's real GDP recorded a growth of 7.2 percent in FY 2022-23, stronger than RBI's expectation of 7 percent. Currently available forecasts of India's real GDP growth for 2023-24, including those of the RBI, broadly settle between 6.0-6.5 percent, this contrasts with Global GDP growth projection of 3 percent. India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years. The Government announced Foreign Trade Policy (FTP) 2023 in March. It aims at reducing transaction costs and encourage ease of doing business through process re-engineering and automation.

Overall aggregate demand conditions remain supportive of growth driven by improving household consumption and investment activity. Government's thrust on the infrastructure and revival of corporate investments in select sectors augur well for the economy. Investment activity in India is exhibiting buoyancy on the back of strong composite Purchasing Managers Indices (PMI) readings. Merchandise exports have risen by 6 percent in FY 2022-23 to an all-time high of USD 447.5 billion and services exports remain strong. Overall, merchandise imports also reached an all-time high of USD 714.2 billion in FY2022-23, increasing by 16.5 percent y-o-y. E-way bill volumes and toll collections remained strong, reaching new highs in March 2023. RBI's monetary policy measures have resulted in headline CPI inflation declining from 7.8 percent in April 2022 to 5.7 percent in March 2023 with further easing expected during the year.

## Outlook

The Union Budget 2023-24 aimed at strengthening India's economic status in the 75<sup>th</sup> year of India's independence. Seven priorities adopted in the budget included inclusive development, reaching the last mile, infrastructure & investment, unleashing the potential, green growth, youth power and financial sector. RBI expects India's real GDP to grow at 6.5 percent during the financial year 2023-24, on the back of resilient economic activity and evenly balanced risks. Globally, geopolitical issues, high inflation, and tight monetary policy conditions will continue to have a negative impact on the growth. Despite global challenges, India will continue to grow and remain resilient against external shocks. India is set to benefit from government's thrust on infrastructure, capital expenditure, and increased credit growth. Apart from government expenditure, improving sentiments from private sector and better capacity utilisation also hold the key to India's economic growth. CPI inflation is projected at 5.1 percent for 2023-24.

## Indian Logistics Industry Overview

Logistics sector plays a pivotal role in shaping up the economy by helping in movement of raw materials and finished goods. As India moves towards its goal of becoming a USD 5 trillion economy, the logistics sector will continue to evolve to meet the demands from traditional and new age businesses. The

Indian logistics sector is pegged to grow at a rate of 10-12 percent, to USD 380 billion by financial year 2025. India's logistics cost is in the range of 12- 14 percent of GDP which is high as compared to developed economies that typically range 7-8 percent. The Government has taken initiatives that will help reduce the logistics cost to below 10 percent of GDP. These initiatives are in the areas of improving infrastructure, helping boost manufacturing, providing a digital landscape, and effective policymaking.

India moved up by six places to Rank 38 in the World Bank's logistics ranking. Government's thrust on achieving best-in-class logistics costs and improving trade flows is led by flagship programmes like Make in India, PM Gati Shakti, Dedicated Freight Corridors (DFC), and Production Linked Incentive (PLI) schemes. Additionally, increasing e-commerce penetration provides a strong growth outlook for the sector. Significant opportunities emerge in the logistics value chain – Container trade, Transportation, Express Delivery, Warehousing, Processing, and Distribution. They key target themes/areas would include:

- ❖ **Manufacturing:** The government has set up Special Economic Zones which would attract foreign investments in the manufacturing sector, along with schemes like 'Make in India' and 'Production Linked Incentive' (PLI) to boost domestic manufacturing. The government is also promoting manufacturing of electronics and IT hardware in India. They are working on a plan for the next decade to position India as semiconductors manufacturing hub. There is a focus on making India competitive by creating a skilled work force and providing ease of doing business. The government is clear on its agenda of helping India carve its footprint in the global manufacturing landscape.
- ❖ **Infrastructure:** Development of country's infrastructure is an important cog for the growth of logistics sector in India and the government is giving infrastructure development utmost importance. Under the Bharatmala Pariyojana, the government is looking to build approximately 34,800 kilometers of national highways. Other infrastructure initiatives like the sagarmala project and dedicated freight corridor will give a boost to the port infrastructure and support high-speed, long-distance movement of cargo through rail. Infrastructure development augurs well for the movement of goods and services.
- ❖ **Policy:** In September 2022, the Prime Minister launched the National Logistics Policy (NLP) which acts as a guiding document for States / UTs seeking to formulate logistics policy (19 States / UTs have notified their logistics policy). The policy will enable integration of digital system for smooth cargo movement. It will enable Unified Logistics Interface Platform (ULIP) which will show all available modes of transportation. Furthermore, NLP will create an ecosystem that will simplify rules for logistics businesses and will also enable officers from ministries to monitor logistics projects amongst other things.

Indian economy is a domestic consumption led economy with favorable demographics that acts as a backbone. As demand

for goods and service increases, the need for fast and timely delivery also increases. Both consumers and businesses need goods to be delivered at a rapid pace, which is giving rise to new trends in the logistics industry. Key trends in the logistics industry are as follows:

- ❖ **Growing e-commerce:** The e-commerce market in India is expected to grow to USD 350 billion in 2030 from USD 74.8 billion in 2022. This shall involve rapid growth in both Business to Business (B2B) and Business to Consumer (B2C) segments. With advancement in broadband technology, internet user base in India is set to expand further. The consumer base for e-commerce is on the rise and the demand for e-commerce from Tier II, III and IV towns is poised to increase. E-commerce is also enabling the small and medium businesses expand their reach.
- ❖ **Digitalisation:** Technology and data driven decision making are the future of logistics in India. Both businesses and customers would like to have their goods delivered fast along with transparency and visibility. For logistics companies' things like demand forecasting, warehouse automation, and route optimisation are key to improving service delivery. Looking at the increasing pie of D2C in ecommerce, government of India has launched ONDC which gives small businesses the exposure to technology and a help create a level playing field.
- ❖ **Express Logistics:** Express delivery is the need of the hour for both businesses and customers. As customers are looking for faster delivery of products with improved

visibility, companies are increasingly opting for express delivery for faster and on time delivery. The growing trend is evident across B2B and B2C verticals.

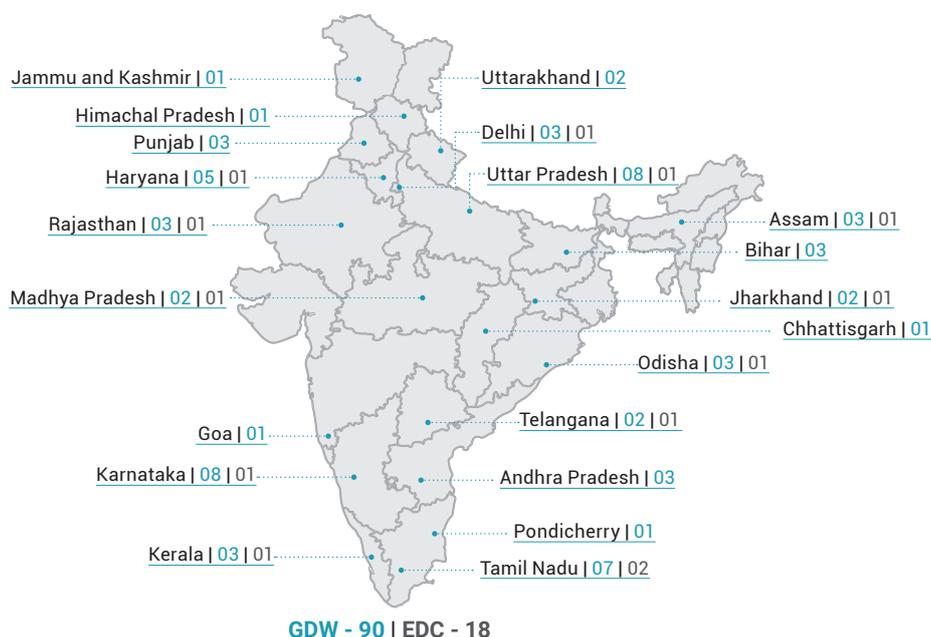
Logistical services can be bucketed into transportation, warehousing, and supply chain management. Transportation is the largest pie within the Indian logistics industry, accounting for ~60-65 percent of logistics costs. The movement of goods in India is tilted heavily towards road transportation which is followed by rail, shipping, and air. Road transport moves approximately 70 percent of cargo, rail moves about 20 percent, followed by shipping and air. Surface transportation offerings include Full Truck Load (FTL), Part Truck Load (PTL) and Express Logistics, which is the fastest growing. FTL players command about 90 percent of the road market share followed by PTL and Express at 7 percent and 3 percent, respectively.

The B2B segment forms a major share of the surface express logistics market with organised players dominating the large accounts while many small businesses and regional clusters are still catered for by smaller unorganised players as well. With growing consumption and e-commerce boom in India, the demand for express logistics is bound to grow from the small and medium as well as retail businesses. Major sectors that contribute to the growth of express industry are auto, pharmaceuticals, e-commerce, consumer durables, and apparels, amongst others. Express logistics provide additional benefits to customers like tech-driven offerings, reduced transit time, high reliability, better service quality, and high visibility. Many express players are also offering integrated services to clients such as warehousing and supply chain management.

### About Gati

Gati, incorporated in 1989, is one of India's oldest and leading express logistics players. The company boasts of a strong network and reach that covers around 99 percent of government of India approved pin codes. Gati is a multimodal express logistics player that provides end-to-end solutions to its clients including express distribution, air freight and supply chain management services. It also provides special services like student express, bike express, art express, and Laabh. Gati boasts a strong and longstanding relationship with marquee clients across sectors.

At the core of operations, lies a unique integrated network comprising of 18 Express Distribution Centers (EDC), 22 surface transshipment hubs, and 90 Gati Distribution Warehouses (GDW) along with a vendor network of 5000+ trucks. This is complemented by ~120 own customer convenience centers, ~500 franchisee convenience centers, and ~1500 business partners (Gati Associates).



(Source: IBEF, pmindia.gov.in, Niti Ayog, World Bank)

Post its acquisition by Allcargo Logistics in 2020, Gati embarked on a road to transformation where the company restructured its balance sheet, improved its governance structure, reduced its debt, and moved on to the next phase of transformational growth Gati 2.0. Under Gati 2.0, the company laid down five pillars of growth that are a) digitalisation, b) sales acceleration, c) infrastructure, d) streamlining operations and e) talent pool. The company has carved out a path to profitable growth based on these pillars and is well on its way to achieving the same.

With Gati 2.0 the management continues its path to achieve sustainable profitability. The management continues to walk on the pillars of growth it had laid out with more vigor. Out of the mentioned pillars, Talent Acquisition of top management, which is a key differentiator between organisations, has been undertaken and the Company is now being driven by seasoned professional hands. Significant reinforcement has been made at mid-level as well. Right talent enables a right approach, well directed strategy execution, and ensure future readiness.

### GATI 2.0 – The pillars of growth

#### Digitalisation

Focus on digitalisation is to build an organisation with digital at its core, this will help improve customer experience and enable seamless efficient operations at the backend. The front-end efforts focus on CRM system, data science, digital payments, and sales acceleration. The back-end efforts focus on pickup and delivery automation, hub automation, network decision support and GEMS 2.0 (Gati Enterprise Management System).

During the year, the company implemented digital e-dockets for its retail clients and started the pilot for MSME clients. Auto approved retail digital docket is sent to the shipper immediately which improves efficiency and reduces the need for manual signatures. e-Dockets also help in clear demarcation of carrier and owners' risk, enables e-billing which leads to compressed payment cycle, reduces need to use of multiple portals and supplements KYC and GST calculations, using a single portal. Gati also mandated GPS in all linehaul and feeder vehicles, to enhance visibility, improve performance and optimise productivity via continuous monitoring. Improved on dashboard designs to enable real time data visibility and KPI monitoring.

The company is also working on using data science for route optimisation, load planning and better utilisation of trucks. Various stages of GEMS 2.0 are also under implementation, this is integrated with CRM, finance and other management tools, and provides one click view for performance analysis.

#### Sales Acceleration

Gati is focussing on a cluster based approach involving centralised rate cards for decisions on discounts and dynamic pricing. Central war rooms have been setup to tackle peak period demand. Customer experience is being enhanced through dedicated portal and chatbots. To obtain an optimal sales mix between key accounts, MSME clients and retail clients, a two-pronged sales strategy has been adopted. It involves identifying and penetrating new markets and increasing wallet share from current customer base. During the year, the company has elevated few clients from strategic accounts to key accounts owing to increased wallet share from them. Elevating clients enables them to get priority service. The sales structure has been re-aligned to ensure optimum service levels. Other initiatives like identifying alliance partners for strengthening our pickup and delivery operations and digitised network planning enable customer delight.

#### Infrastructure

Infrastructure is one of the key pillars of growth. Gati has a network of 31 hubs including 9 air transit hubs. Gati is adding new superhubs and consolidating older hubs to improve efficiency levels. Four new operational hubs have been launched under this initiative. During the year, the management inaugurated three new hubs at Guwahati, Nagpur, and Mumbai. The super hub at Mumbai is built over 1 lakh sq. ft. with 61 bays. The management is well on its way to building five more such hubs in the coming years at Bengaluru, Indore, Pune, Hyderabad and Cochin. These will be future ready with automation in place that ensures faster loading and unloading, higher productivity, faster turnaround time, and improved load factor. The infrastructure expansion helps the company prepare and plan better for increasing demand. The Company also developed new franchisee PAN India in an endeavor to decrease first and last mile turnaround time, and costs while simultaneously increasing booking loads.



#### Farukhnagar

**Location** - The mega hub has an area of >1,00,000 sq ft providing economies of scale

**Operational Efficiency** - Vehicle turn around time is improved. Average vehicle unloading time is reduced by 45 minutes for 32ft SXL/MXL

**Improved Manpower Efficiency**- Achieved due to increased productivity per person



#### Nagpur

**Location** - The hub is spread over an area of 28,800 sq ft and is centrally located near major clients

**Operational Efficiency** - The facility is equipped with 16 Bays, having 3 Dock Leveller

**Clientele**- Catering to Automobiles, Electrical, Apparels, Heavy Engineering Goods & Pharma Sector and handling approximately 300 tonnes per day



#### Mumbai

**Operational Efficiency** - The mega hub is spread over an area of more than 100,000 sq ft providing economies of scale

**Operational Efficiency** - The facility is equipped with 62 bays leading effective loading and unloading of trucks



**Guwahati**

**Location** - Spread over an area of 30,000 sq ft. The warehouse is adjacent to NH 31 and is situated in Brahmaputra Industrial Park equipped with better parking facility

**Operational Efficiency** - The facility is equipped with 7 Bays for effective loading and unloading

**Network**- One CCCO (Gati own pickup-delivery unit) merged with the STC for faster service to customers

**Operations**

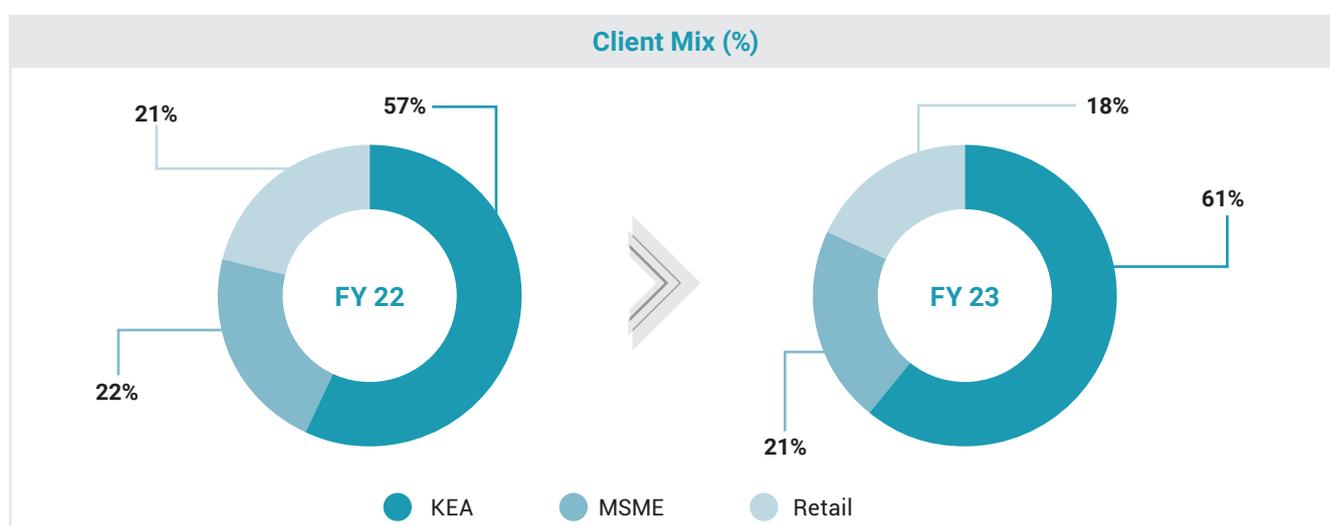
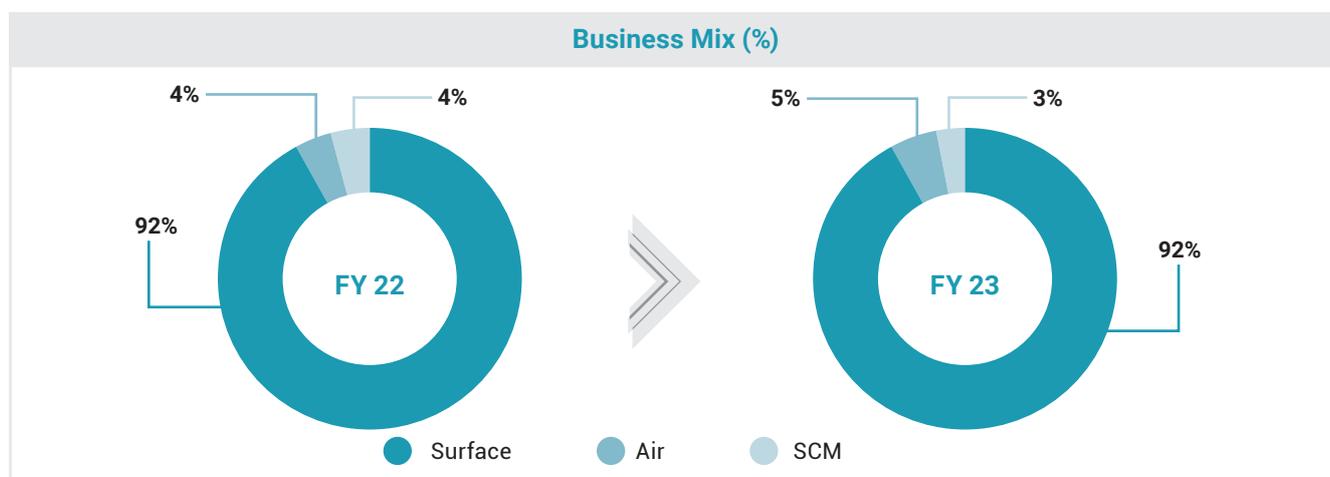
Key focus area is to streamline operations and enable cost rationalisation along with continuous improvement with key enablers across the operations value chain. The aim is to reduce unit costs and maximise profit. This includes 1) centralised control of line haul and monitoring the entire line haul activity through a central network control tower, 2) modernisation of hubs, 3) planning peak and flex capacity, and 4) building an efficient pick-up and delivery mechanism. The management has an endeavor to convert its entire delivery fleet to electric vehicles (EV) and alternate fuels by 2025. The company is looking to introduce more than 2,500 EV in the next two years. The management has recently signed an MoU for delivery of 500 vehicles.

During the year, Gati's parent Allcargo Logistics announced its plan to acquire a 30 percent stake from KWE in GKEPL, a subsidiary housing the express business. The acquisition is a part of a well-planned strategy by Allcargo that involves further investment in the express business. Eventually, Allcargo

acquired the 30 percent stake from KWE in June 2023, for a consideration of ₹ 406.7 crores. The agreement was mutually agreed upon in the past by Allcargo and KWE. The strategic collaboration with Allcargo allows Gati to leverage its global network and allows opportunities to cross sell the offerings.

**Financial Performance**

During the year under review, at a consolidated level, Gati achieved a revenue of ₹ 1,723 crores against ₹ 1,489 crores in the previous year. Majority of the revenue for our company comes from the express logistics business housed under GKEPL that clocked revenue of ₹ 1,469 crores against ₹ 1,242 crores in the previous year. This was driven by total volumes (GKEPL: surface plus air express) growing 17 percent YoY, improving from 966 kt to 1,133 kt. Around 92 percent of GKEPL revenue came from the surface express business, followed by 5 percent from air express. In terms of client mix, 61 percent of GKEPL sales were driven by KEAs (key Enterprise Accounts), 21 percent by MSMEs and 18 percent by Retail accounts.



Gati reported an EBITDA of ₹ 74 crore compared to ₹ 50 crore in the previous year. Reported loss came in at ₹ 11 crore as against a loss of ₹ 4 crore in the previous year. Operating profit improvement for the financial year ended March 2023 is mainly attributable to the steadily improving efficiency across the company and key initiatives undertaken by the management to improve infrastructure and service levels for the customers.

### Financial Ratios (Consolidated)

Particulars	FY2022-23	FY2021-22
Debtors Turnover	4.76	4.6
Interest Coverage Ratio	1.15	0.5
Current Ratio	1.19	1.0
Debt Equity Ratio	0.18	0.2
Operating Profit Margin (%)	5.39	3.3
Net Profit Margin (%)	-0.63	-0.3
Return on Equity	-0.05	-1%

**Debtors Turnover:** The increase in Debtors Turnover on account of growth in revenue and effective management of accounts receivable.

**Interest Coverage Ratio:** The increase in interest service coverage ratio can be attributed to higher operating income, indicating improved ability to meet interest obligations.

**Current Ratio:** The improved current ratio is mainly driven by a substantial cash inflow from the exercise of share warrants, significantly enhancing the company's liquidity and its ability to meet short-term obligations.

**Debt Equity Ratio:** Improved Debt equity ratio is on account of reduction in debt and inflow from share warrant conversion contribute to an improved financial leverage, reflected by a lower debt equity ratio.

**Operating Profit Margin:** The improved earnings results are a result of revenue growth and cost optimization initiatives implemented during the year.

**Net Profit Margin:** The decrease in net profit margin is a result of higher sales and lower costs, which were offset by higher taxes due to capital gains from the disposal of non-core immovable properties.

**Return on Equity:** The improved return on equity can be attributed to higher net income generated from increased earnings and more efficient utilization of shareholder equity.

### Risks & Concerns

The financial and related risks have been comprehensively covered in the Annual Accounts of the company together with the mitigation strategy of the same. The present and anticipated future risks are reviewed by the management of the company at regular intervals. The management takes suitable preventive steps and measures to adequately safeguard the company's resources of tangible and intangible assets. For more detailed information regarding Financial Performance of the company you may refer Director's Report forming part of this Annual Report.

### Internal Control Systems and their Adequacy

Gati has in place an adequate system of internal controls commensurate with its size and nature of operations, along with a well-defined organisation structure, documented policy guidelines and procedures, as well as 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 the company's assets from unauthorised use or losses, the reliability of financial controls, and compliance with applicable laws and regulations.

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

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

- ❖ Identify weaknesses and areas of improvement
- ❖ Compliance with defined policies and processes
- ❖ Safeguarding of tangible and intangible assets
- ❖ Management of business and operational risks
- ❖ Compliance with applicable statutes
- ❖ Compliance with the 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 is as follows:

- ❖ The Audit Committee comprising of Independent Directors and Non-Executive Directors, regularly reviews the audit plans, significant audit findings, implementations of internal audit recommendations, adequacy of internal controls, compliance with accounting standards as well as reasons for changes in accounting policies and practices, if any.
- ❖ A well-established and independent Internal Audit team consisting of professionally qualified accountants and functional specialists who are empowered to examine/audit the adequacy, relevance and effectiveness of the control systems, compliance with policies, plans and statutory requirements.
- ❖ Process narratives and Risk Control Matrix for all major business processes and testing thereof including financial closing, IT General Controls and Entity Level controls which are reviewed for improvements.
- ❖ Continual programmes to reinforce the Code of Business Conduct & Ethics are conducted regularly across the organisation.

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

The Board takes responsibility for the overall process of risk management throughout the organisation. During the financial reporting period ending March, 2023 the company has conducted an assessment of the effectiveness of the internal financial control over financial reporting and it has in place, adequate internal financial controls with reference to financial statements, commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed and the controls are continuously reviewed for improvements.

### Human Resource

Nurturing human capital is of utmost importance at Gati. The company focusses on building a skilled resource pool while providing a healthy and safe environment for the employees to grow. The organisation had initiated project NEEV which is based on the principles of inclusion, empowerment, and unity in variety. The idea is to enhance employee engagement, focus on the learning & development programme, improve processes, employee effort and productivity, provide adequate infrastructure and hygiene and save on cost and time. The entire talent management process is based on the concept of three E's which are education, experience, and exposure. During the financial year 2023 there was a focused approach on learning

and development (L&D) programme. The L&D programme was implemented across all levels in the organisation, starting from executives to senior leadership. Along with the L&D programme, employees are also given exposure and opportunities to grow within the organisation. As a result of all key initiatives, attrition rate has gone down to 18% in financial year 2022-23 as compared to 29% in financial year 2021-22. Human Resource is a key enabler for the organisation and plays a pivotal role in achieving organisational goals. Going forward, there will be emphasis on providing holistic development platform for the employees. Key focus areas will be on talent management and career planning for Hi posts, continuous employee engagement and wellness initiatives, and maintaining robust HR processes.

### Cautionary Statement

Statements in the Management Discussion and Analysis Report describing the company's objectives, projections, estimates, expectations, or projections may be 'forward looking statements' within the meaning of the applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the company's operations include economic and political conditions in which the company operates, interest rate fluctuations, changes in Government/RBI regulations, tax laws, other statutes, and incidental factors.

# Business Responsibility and Sustainability Report

[As per Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Company	L63011TG1995PLC020121
2	Name of the Company	Gati Limited
3	Year of incorporation	April 25, 1995
4	Registered office address	Western Pearl, 4 <sup>th</sup> Floor, Survey No. 13(p), Kondapur, Hyderabad, Rangareddi - 500084, Telangana, India.
5	Corporate address	
6	E-mail	<a href="mailto:investor.services@gati.com">investor.services@gati.com</a>
7	Telephone	040 7120 4284
8	Website	<a href="http://www.gati.com">www.gati.com</a>
9	Financial year for which reporting is being done	April 1, 2022 to March 31, 2023
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
11	Paid-up Capital	₹ 26,02,60,234/-
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Ms. T.S. Maharani Contact: 040 7120 4284 Email ID: <a href="mailto:maharani.ts@gati.com">maharani.ts@gati.com</a>
13	Reporting boundary	Consolidated basis

### II. Products/services

#### 14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Express Logistics	Surface & Air Transport	88%
2	Fuel Stations	Distribution of Fuel in partnership with HPCL & Indian Oil	12%

#### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Express Logistics	522, 521, 512, 492	88%
2	Fuel Stations	473	12%

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	NA	231	231
International	NA	0	0

#### 17. Markets served by the entity:

##### a. Number of locations

Locations	Number
National (No. of States)	35
International (No. of Countries)	1

b. What is the contribution of exports as a percentage of the total turnover of the entity? – Gati is not involved in any export business and operates only in India.

c. A brief on types of customers  
Our customer base comprises of businesses, MSMEs, individual customers, retailers, wholesalers among others.

## IV. Employees

## 18. Details as at the end of Financial Year:

## a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	3247	2822	86.9%	425	13.1%
2.	Other than Permanent (E)*	NA	NA	NA	NA	NA
3.	<b>Total employees (D + E)</b>	3247	2822	86.9%	425	13.1%
<b>WORKERS</b>						
4.	Permanent (F)*	NA	NA	NA	NA	NA
5.	Other than Permanent (G)*	NA	NA	NA	NA	NA
6.	<b>Total workers (F + G)</b>	NA	NA	NA	NA	NA

Note: \*Gati is in the process of setting up systems to capture data for Other than Permanent Employees and Permanent and Other than Permanent Workers.

## b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	15	14	93%	1	7%
2.	Other than Permanent* *(E)*	NA	NA	NA	NA	NA
3.	<b>Total differently abled employees (D + E)</b>	15	14	93%	1	7%
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)*	NA	NA	NA	NA	NA
5.	Other than permanent* *(G)	NA	NA	NA	NA	NA
6.	<b>Total differently abled workers (F + G)</b>	NA	NA	NA	NA	NA

Note: \*Gati is in the process of setting up systems to capture data for Other than Permanent Employees and Permanent and Other than Permanent Workers

NA = Not Available

## 19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	26	4	15.38%
Key Management Personnel	5	2	40.00%

## 20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2022-23			FY 2021-22			FY 2020 - 21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	18%	19%	18%	29%	34%	29%	23%	22%	23%
Permanent Workers*	NA	NA	NA	NA	NA	NA	NA	NA	NA

Note: \*Gati is in the process of setting up systems to capture data for Other than Permanent Employees and Permanent and Other than Permanent Workers

NA = Not Applicable

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

### 21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary/ associate companies/joint ventures (A)	Indicate whether holding/Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Allcargo Logistics Limited	Holding	50.2	Yes
2	Gati-Kintetsu Express Private Limited	Subsidiary	70	Yes
3	Gati Logistics Parks Private Limited	Subsidiary	100	Yes
4	Gati Import Export Trading Limited	Subsidiary	100	Yes
5	Gati Projects Private Limited	Subsidiary	100	Yes
6	Zen Cargo Movers Private Limited	Subsidiary	100	Yes
7	Gati Ship Limited	Associate	47.95	Yes

## VI. CSR Details

### 22. CSR Applicability

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013:	<b>No</b>
(ii) Turnover (in ₹):	17,46,04,00,000
(iii) Net worth (in ₹):	6,14,67,00,000

## VII. Transparency and Disclosures Compliances

### 23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Local Communities	Yes	0	0	NA	0	0	NA
Investors (other than Shareholders)	Stakeholder-Engagement-Policy	0	0	NA	0	0	NA
Shareholders	<a href="https://www.gati.com/wp-content/uploads/2023/04/Shareholder-Engagement-Policy.pdf">https://www.gati.com/wp-content/uploads/2023/04/Shareholder-Engagement-Policy.pdf</a>	12	0	NA	0	0	NA
Employees		0	0	NA	0	0	NA
Customers	Stakeholder-Engagement-Policy.pdf	15*	25**	Pending adjudication for hearing in the consumer court	13	13	Pending adjudication for hearing in the consumer court
Suppliers		0	0	NA	0	0	NA

Note:\* Consumer Complaints received from appropriate court of law/consumer forums

\*\* The number includes complaints pending from previous years of reporting

## 24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
1	Energy	Opportunity	As a logistics company, efficient energy management is crucial to ensure that we reduce our dependency on non-renewable energy sources and transition to options such as green fuels and route optimization. While adopting better technology to reduce our energy consumption can have a significant initial investment, this will ensure transition to cleaner fuels and reduce emissions in the process.	-	Positive implications
2	Energy	Risk	<ul style="list-style-type: none"> <li>Transitioning towards renewable sources of energy such as solar, wind or green hydrogen comes with a significant investment.</li> <li>Further, appropriate infrastructure for clean-fuel vehicles and Electric Vehicles (EVs) may not be available in remote locations.</li> <li>We are largely dependent on our business vendors such as business associates for being able to transition towards green energy fuels.</li> </ul>	<ul style="list-style-type: none"> <li>Gati is investing in solar plant installations on an OpEx model, thus reducing the initial cost of capital.</li> <li>Gati is currently focusing on geographies that has infrastructure to adopt Clean Fuel Vehicles &amp; EVs with ease and will slowly expand over other geographies depending upon availability.</li> </ul>	Negative implications
3	Emissions	Risk	The principal source of emissions for Gati is its road transportation segment which it operates via third-party business partners. Additionally non-management of emissions can lead to damage to Gati's brand value and reputation.	Gati is working with third-party aggregators to include clean fuel vehicles & EVs in the first and last mile delivery segment.	Negative implications
4	Occupational Health and Safety	Risk	As a logistics company, Gati is also exposed to the risk of road accidents which can lead to permanent injuries or loss of life. Unsafe working conditions can lead to work-related injuries. Failure to meet regulatory requirements can also lead to heavy penalization.	Gati has a Health and Safety Policy with a commitment to conducting business activities, with zero injury to employees, sub-contractors and third-party organizations.	Negative implications
5	Diversity, Equity and Inclusion	Opportunity	Bias and discrimination at work hinders healthy professional relationships and can hamper professional development. The physical work environment and geographic locations of the industry can increase entrance of individuals with diverse backgrounds/ geographies also increasing inclusion of women in the workforce, thus providing access to a wider talent pool.	-	Positive implications
6	Labour Practice and Human Rights	Risk	Human rights violations and abuses can adversely impact employees and contractual labourers and bears a risk of litigation. Such violations can also cause reputational damage to the company.	Gati has a Human Rights Policy with commitments such as zero tolerance towards human trafficking, child labour, and forced labour, freedom of association, discrimination among others. A formal grievance redressal mechanism is set in place wherein all employees and contractual workers can report any grievances to the CHRO of the company on <a href="mailto:mehernosh.mehta@gatikwe.com">mehernosh.mehta@gatikwe.com</a>	Negative Implications
7.	Community Development	Opportunity	Community development is essential for obtaining a social license to operate. Gati's presence is widespread with operations all over India and thus can impact many communities. Corporate social responsibility can also lead to increased investor interest and brand value recognition.	-	Positive implications
8.	Customer Satisfaction	Opportunity	Adopting green logistics solutions at the company can attract and retain customers as many commercial customers are looking for ways to make their supply chain sustainable. Ensuring that customer grievances and feedbacks are redressed can boost customer loyalty and increase retention.	-	Positive Implication
9.	Corporate Governance	Opportunity	Ensuring good governance and transparent practices can help securing stakeholder interest, a higher reputation, reduced risks and improved financial performance.	-	Positive Implications

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
10.	Cybersecurity	Risk	Data breaches and cybersecurity threats have increased over the past decade. With cloud computing and online marketplace and payments, maintaining the privacy of customer or employee data is crucial for Gati. Cyber-attacks can have several impacts on the functioning of the organisation such as operational cost and reputational damage.	Gati has a Cybersecurity policy and is ISO 27001:2013 certified to ensure utmost compliance and better customer data privacy. Compliance to such high standards of cybersecurity has helped us achieve a high rating in our third-party IT audit from BitSight with a score of 790.	Negative Implications
11.	Sustainable Supply Chain	Opportunity	Adopting a green supply chain can help minimise supply disruption risks and emerging regulatory risks. Ensuring that suppliers also meet Gati's ESG expectations can contribute to supporting local businesses, reduce implied environmental impacts, and promote good governance.		Positive Implications
12.	Supply chain disruptions	Risk	Disruptions in the supply chain can further hamper processes and create a ripple effect throughout Gati's value chain. Such disruptions can also delay deliveries and damage brand reputation subsequently leading to financial losses.	Gati has established a Supplier Code of Conduct including coverage over human rights, environmental performance, community development, business ethics and transparency and whistleblowing. Gati has also adopted a sustainable procurement policy for its suppliers with guidelines to procure from sustainable and local sources.	Negative Implications

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and Management Processes</b>									
1 a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	<p><b>P1</b> - Sustainable Procurement Policy, <a href="https://www.gati.com/wp-content/uploads/2023/04/Sustainable-Procurement-Policy.pdf">https://www.gati.com/wp-content/uploads/2023/04/Sustainable-Procurement-Policy.pdf</a></p> <p><b>P2</b> - Anti-trust and Anti-competitive Policy <a href="https://www.gati.com/wp-content/uploads/2023/04/Anti-trust-and-Anti-competetive-Policy.pdf">https://www.gati.com/wp-content/uploads/2023/04/Anti-trust-and-Anti-competetive-Policy.pdf</a> Code of Conduct on Ethics Transparency and Accountability. <a href="https://www.gati.com/wp-content/uploads/2023/04/Code-of-Conduct-Ethics-Transparency-and-Accountability.pdf">https://www.gati.com/wp-content/uploads/2023/04/Code-of-Conduct-Ethics-Transparency-and-Accountability.pdf</a> Corporate Tax Governance Policy <a href="https://www.gati.com/wp-content/uploads/2023/04/Corporate-Tax-Governance-Policy.pdf">https://www.gati.com/wp-content/uploads/2023/04/Corporate-Tax-Governance-Policy.pdf</a></p> <p><b>P3</b> - Human Rights Policy <a href="https://www.gati.com/wp-content/uploads/2023/04/Human-Rights-Policy.pdf">https://www.gati.com/wp-content/uploads/2023/04/Human-Rights-Policy.pdf</a> Health and Safety Policy <a href="https://www.gati.com/wp-content/uploads/2023/04/Health-and-Safety-Policy.pdf">https://www.gati.com/wp-content/uploads/2023/04/Health-and-Safety-Policy.pdf</a> Anti-Harassment and Anti-Discrimination Policy Board <a href="https://www.gati.com/wp-content/uploads/2023/04/Anti-Harassment-and-Anti-Discrimination-Policy.pdf">https://www.gati.com/wp-content/uploads/2023/04/Anti-Harassment-and-Anti-Discrimination-Policy.pdf</a> Diversity Policy <a href="https://www.gati.com/wp-content/uploads/2023/04/Board-Diversity-Policy.pdf">https://www.gati.com/wp-content/uploads/2023/04/Board-Diversity-Policy.pdf</a></p> <p><b>P4</b> - Stakeholder Engagement Policy <a href="https://www.gati.com/wp-content/uploads/2023/04/Stakeholder-Engagement-Policy.pdf">https://www.gati.com/wp-content/uploads/2023/04/Stakeholder-Engagement-Policy.pdf</a> Supplier Code of Conduct <a href="https://www.gati.com/wp-content/uploads/2023/04/Supplier-Code-of-Conduct.pdf">https://www.gati.com/wp-content/uploads/2023/04/Supplier-Code-of-Conduct.pdf</a></p>								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	<b>P5</b> - Human Rights Policy <a href="https://www.gati.com/wp-content/uploads/2023/04/Human-Rights-Policy.pdf">https://www.gati.com/wp-content/uploads/2023/04/Human-Rights-Policy.pdf</a> Anti-Harassment and Anti-Discrimination Policy <a href="https://www.gati.com/wp-content/uploads/2023/04/Anti-Harassment-and-Anti-Discrimination-Policy.pdf">https://www.gati.com/wp-content/uploads/2023/04/Anti-Harassment-and-Anti-Discrimination-Policy.pdf</a> <b>P6</b> - Environment Policy <a href="https://www.gati.com/wp-content/uploads/2023/04/Environment-Policy.pdf">https://www.gati.com/wp-content/uploads/2023/04/Environment-Policy.pdf</a> Supplier Code of Conduct <a href="https://www.gati.com/wp-content/uploads/2023/04/Supplier-Code-of-Conduct.pdf">https://www.gati.com/wp-content/uploads/2023/04/Supplier-Code-of-Conduct.pdf</a> <b>P7</b> - Corporate Tax Governance Policy <a href="https://www.gati.com/wp-content/uploads/2023/04/Corporate-Tax-Governance-Policy.pdf">https://www.gati.com/wp-content/uploads/2023/04/Corporate-Tax-Governance-Policy.pdf</a> <b>P8</b> - Stakeholder Engagement Policy CSR Policy <b>P9</b> - Information Security and Cybersecurity Policy								
2 Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3 Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4 Name of the national and international codes/certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The Policies are compiled keeping in mind the different global standards including that of the United Nations and International Labour Organisation and various ISO standards.								
5 Specific commitments, goals and targets set by the entity with defined timelines, if any.	No	No	No	No	No	No	No	No	No
6 Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	Gati is in the process of formulating goals & targets and will be begin tracking performance on the said policies in the coming year								

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

**Governance, leadership and oversight**

**7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)**

The purpose of our business is to dedicatedly serve to ensure stakeholder delight and influence the environment and society at large with our good work, as we abide by our values that form the cornerstone of our business strategies, decisions, and activities. We are committed to this roadmap as we seek to grow sustainably and deliver logistics solutions with excellence, again and again, with a lot more rigor and enthusiasm as the days pass.

**8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**

Please refer to page 06 for the Chairman's / MD's speech.

**9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**

The Company is working on creating a Sustainability committee in the coming years that will drive ESG initiatives.

**10. Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Performance against above policies and follow up action				Board of Directors									Annually				
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances				Board of Directors									Annually					

**11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the agency**

	P1	P2	P3	P4	P5	P6	P7	P8	P9
No									No

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

### PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

#### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	P1-P9	100%
Key Managerial Personnel	1	P1-P9	100%
Employees other than BoD and KMPs	155	Gati has conducted ESG awareness sessions and topic-specific trainings on ethics and transparency, employee health and safety, energy and emissions management, community development and customer satisfaction.	97%
Workers	0*	NA	NA

Note: \*Gati conducts various trainings for its workers on topics such as warehouse safety, defensive driving, fire drills, behavioral conduct, code of conduct trainings among others. However, Gati is currently not capturing the number of trainings provided at all its locations and is in the process of setting up mechanisms to capture such trainings.

NA = Not Applicable

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NA	NA	0	NA	No
Settlement	NA	NA	0	NA	No
Compounding fee	NA	NA	0	NA	No

#### Non-Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NA	NA	0	NA	No
Punishment	NA	NA	0	NA	No

Note: NA = Not Applicable

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Gati does not have any cases of monetary or non-monetary fines or penalties for the reporting year.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, anti-corruption and anti-bribery aspects are covered as a part of Gati's Code of Conduct - Ethics Transparency and Accountability Policy.

Gati has zero tolerance against any cases and instances of corruption, bribery, extortion or malpresentation of financial statements. All of Gati's employees, in their individual capacity or while representing the Company, are strictly prohibited

from engaging in any form of corruption or giving or accepting any kind of bribe, kickbacks or facilitation payments, directly or indirectly. None of Gati's employees shall indulge in giving or receiving extravagant, lavish or uncustomary gifts to government or public authorities, during or after business hours. In the situation that accepting a bribe results in it bearing a direct threat to their lives, Employees should immediately inform their immediate manager or write to Chief Assurance & Risk Executive of the Company at [whistleblower@allcargologistics.com](mailto:whistleblower@allcargologistics.com).

The web link to the policy is as follows: <https://www.gati.com/wp-content/uploads/2023/04/Code-of-Conduct-Ethics-Transparency-and-Accountability.pdf>

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

Particulars	FY 2022-23	FY 2021-22
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. **Details of complaints with regard to conflict of interest:**

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	None	0	None
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	None	0	None

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

No corrective actions were taken as there were no cases on non-compliance.

### Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
0	None	0

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

The Company expects its employees to avoid and disclose to the Company any situation that may appear as a conflict of interest and disclose to the Company if any of its official is having family or business relationship with an official or employee of the Company who can influence the performance, in whole or in part, of a Contract.

## PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe.

### Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Particulars	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	0	0	0
Capex	0	0	0

Note: Gati has invested in Solar energy projects and Electric Vehicles (EVs) on an OpEX model

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**  
 Yes, Gati has implemented the Sustainable Procurement Policy. Suppliers are expected to follow Gati's ESG practices and fulfill sustainable procurement expectations such as compliance to laws and regulations, human rights issues, resource efficiency among others. Suppliers are also expected to source sustainably in their respective value chains.
- c. **If yes, what percentage of inputs were sourced sustainably?**  
 Gati is not currently tracking the sources of its value chain and is working on establishing a system to implement the same, in the near future.
3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**  
 Gati is a road transportation company and does not manufacture any goods or services that can generate e-waste or hazardous waste.
4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**  
 Extended Producer Responsibility is not applicable to Gati as it is a logistics company.

**Leadership Indicators**

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**  
 Gati has not conducted a Life Cycle Assessment of any of its services.
2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**  
 Gati has not conducted a Life Cycle Assessment of any of its services.
3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**  
 Gati is a logistics company and does not use any recycled or reused input material for manufacturing or in any of its services.
4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**  
 Gati is a logistics company and does not use any recycled or reused input material for manufacturing or in any of its services.
5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**  
 Gati is a logistics company and does not use any recycled or reused input material for manufacturing or in any of its services.

**PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.**

**Essential Indicators**

1. a. **Details of measures for the well-being of employees:**

Category	Total (A)	% of Employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Employees</b>											
Male	2,822	1,461	52%	2,822	100%	0	0	118	4.2%	0	0
Female	425	172	40%	425	100%	15	3.5%	0	0	0	0
<b>Total</b>	<b>3,247</b>	<b>1,633</b>	<b>50%</b>	<b>3,247</b>	<b>100%</b>	<b>15</b>	<b>0</b>	<b>118</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other than Permanent Employees</b>											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note: Gati is in the process of setting up systems to capture data for Other than Permanent Employees.

## b. Details of measures for the well-being of workers:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Workers</b>											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other than permanent Workers</b>											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note: Gati is in the process of setting up systems to capture data for Workers.

## 2. Details of retirement benefits, for Current FY and Previous Financial Year

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	0	Yes	100%	0	Yes
Gratuity	100%	0	Yes	100%	0	Yes
ESI	100%	0	Yes	100%	0	Yes
Others – please specify	NA	NA	NA	NA	NA	NA

Note: NA = Not Applicable

## 3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Some of the Gati premises are designed/structured in manner to be made accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016. The following steps have been undertaken to achieve this:

- Ramps for access to warehouses in a few locations
- Moving ahead all the new warehouses will be structured in a more inclusive manner to accommodate differently-abled employees, workers and visitors

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy?

Yes Gati emphasizes on providing equal opportunities for its employees in both the POSH Policy and Anti-Discrimination Policy.

Web-link to the policies:

1. Anti-harassment or Anti-discrimination policy – <https://www.gati.com/wp-content/uploads/2023/04/Anti-Harassment-and-Anti-Discrimination-Policy.pdf>
2. POSH Policy – <https://www.gati.com/wp-content/uploads/2023/06/POSH-POLICY.pdf>

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100	96.6	0	0
Female	100	86.67	0	0
<b>Total</b>	<b>100</b>	<b>91.6</b>	<b>0</b>	<b>0</b>

Note: Gati is in the process of setting up systems to capture data of permanent workers

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	NA
Other than Permanent Workers	NA
Permanent Employees	Yes. The organization has multiple platforms and practices available such as: <ol style="list-style-type: none"> <li>Diversity &amp; inclusion Committee available at every Zone across India. The committee conducts monthly D &amp; I Structured meetings, and gender sensitization talks.</li> <li>POSH Committee - The Prevention of Sexual Harassment Committee has been set up to cater to employee concerns regarding any discriminatory/harassment case/s irrespective of gender.</li> <li>Grievance addressal platforms are made open to all employees during monthly operating unit visits by the Business HRs, following an internal minimum mandate of visiting 4 operating unit in a month)</li> <li>One on one discussions with Business HR</li> </ol>
Other than Permanent Employees	NA

Note: NA = Not Applicable

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
<b>Total Permanent Employees</b>	0	0	0	0	0	0
- Male	0	0	0	0	0	0
- Female	0	0	0	0	0	0
<b>Total Permanent Workers</b>	0	0	0	0	0	0
- Male	0	0	0	0	0	0
- Female	0	0	0	0	0	0

Note: Gati is in the process of setting up systems to capture data for Workers.

8. Details of training given to employees and workers:

Category	FY April 1, 2022 to March 31, 2023					FY April 1, 2021 to March 31, 2022				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No.(B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	2,822	1,570	56%	2,822	100%	2,822	0	0	0	0
Female	425	396	93%	425	100%	425	0	0	0	0
<b>Total</b>	<b>3,247</b>	<b>1,966</b>	<b>61%</b>	<b>3,247</b>	<b>100%</b>	<b>3,247</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Permanent Workers</b>										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note: Gati is in the process of setting up systems to capture data for Workers.

## 9. Details of performance and career development reviews of employees and worker:

Category	FY April 1, 2022 to March 31, 2023			FY April 1, 2021 to March 31, 2022		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	2,822	2,705	95.9%	3,117	2,585	82.9%
Female	425	350	82.4%	345	264	76.5%
<b>Total</b>	<b>3,247</b>	<b>3,055</b>	<b>94.1%</b>	<b>3,462</b>	<b>2,849</b>	<b>82.3%</b>
<b>Workers</b>						
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note: Gati is in the process of setting up systems to capture data for Workers.

## 10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, Gati has implemented the Health and Safety Policy. Gati is cognizant of safety at its warehouse locations and is in the process of implementing a holistic Occupational Health and Safety system in the next phase.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Gati has a Health and Safety policy while safety training are conducted by location heads. To identify work-related hazards and assess the risks on a routine basis, we conduct toolbox meetings organized by safety marshals.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Gati currently does not have a formal mechanism for incident reporting to report work-related hazards and is in the process of implementing a system for incident registration.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

No, Gati currently does not provide non-occupational medical and healthcare services to its employees/ workers.

## 11. Details of safety related incidents, in the following format:

	Category	FY 2022-23	FY 2021-22
<b>Safety Incident/Number</b>			
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

Note: Gati is in the process of setting up systems to capture data for safety related incidents.

## 12. Describe the measures taken by the entity to ensure a safe and healthy workplace

Employee well-being programs/initiatives are conducted for all the employees and during FY 2022-23 the following well-being initiatives were undertaken:

- Women safety programs
- Posh & gender sensitization meetings as a part of D&I initiative
- Road safety programs
- Women self-defense program
- Fire emergency training exit
- Zumba session
- Walkathon, diabetes & hypertension awareness program
- Eye check up camps
- General health check up
- Driver health check up
- Yoga at your desk

Additionally, the following trainings are provided for health and safety:

Type of Training	Frequency
Firefighting training	Monthly
Mock drills	Yearly
First Aid Training	Yearly
Restacker and Forklift safety training	Monthly

13. Number of Complaints on the following made by employees and workers:

Category	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	0	0	0	0
Health & Safety	0	0	0	0	0	0

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	0
Working Conditions	0

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The corrective action/s taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions include maintenance of a hygiene tracker which is updated by the Business HRs during their operating unit visits and discussion on the problem areas with the respective unit heads/in charges and through holding one on one discussion with the concerned stakeholders. This is usually followed by a monthly hygiene review with the P/L head of that respective zone in the presence of the respective Business HRs, the Zonal HR head & the BSG Leaders assigned to that territory to keep a track of the number of concerns received versus the number of concerns dealt with and closed.

GATI has implemented Hygiene Policy which ensures workplace cleanliness and basic amenities like availability of clean drinking water, proper sanitation facilities, etc.

The BSG team conducts OU visits on a monthly basis to ensure all the points under the hygiene policy are taken care of and a Hygiene tracker is maintained to create a Pan India visibility

**Leadership Indicators**

- Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).  
Yes. The Company covers all the employees under group-term life insurance policy.
- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.  
The statutory dues are collected from the monthly payroll of concerned employees & deposited with the concerned authorities.
- Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	0	0	0	0
Workers	0	0	0	0

Note: Gati is in the process of setting up systems to capture data for safety related incidents.

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Gati does not provide any transition assistance programs at the moment.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	0
Working Conditions	0

Note: Gati has not assessed its value chain partners.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners

Gati is in the process of setting up systems to capture data for safety related incidents.

## PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders.

### Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Gati identifies individuals or groups of individuals (including Companies, Partnership firms and Proprietary Firms) who are impacted by Gati 's products, services and activities as well as individuals or groups of individuals which have a direct or indirect impact on Gati. Upon such prioritization, Gati shall analyse the risks and impacts of Gati 's operation, whether direct or indirect, borne by each stakeholder.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisement, Community meetings, Notices Board, Website)	Frequency of engagement (Annually/ Half yearly/ Quarterly/others)- Please specify	Purpose and scope of engagement including key topics and concerns raised during such engagements
Employees and workers	No	<ul style="list-style-type: none"> <li>Intranet portal</li> <li>Trainings and development programmes</li> <li>Performance management system</li> <li>Emails. Written communication</li> <li>Newsletters, circulars and internal publications</li> <li>Employee engagement initiatives</li> <li>Functional and cross-functional committees</li> </ul>	Daily/Weekly	Business/operations related communications
Investors and shareholders	No	<ul style="list-style-type: none"> <li>Annual shareholder meeting</li> <li>Investor presentations and conference calls</li> <li>Investor conferences and meets</li> <li>Press releases and newsletters</li> </ul>	Quarterly	To provide updates on company's operations and updates on new business decisions
Customers	No	<ul style="list-style-type: none"> <li>Customer satisfaction surveys</li> <li>Marketing and advertising</li> <li>Customer service centres</li> <li>Complaint handling and feedback</li> <li>Electronic communication – social media, WhatsApp, Calls</li> </ul>	Daily	Addressing customer requirements for deliveries and grievances if any
Suppliers and Contractors	No	<ul style="list-style-type: none"> <li>Regular interaction through online and offline meetings, phone calls, e-mails</li> <li>Conferences and workshops</li> <li>Trainings and awareness programs</li> </ul>	Daily/Weekly	To track daily operational activities and communicate future needs and expectations

Stakeholder group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisement, Community meetings, Notices Board, Website)	Frequency of engagement (Annually/ Half yearly/ Quarterly/others)- Please specify	Purpose and scope of engagement including key topics and concerns raised during such engagements
Government and Regulatory Authorities	No	<ul style="list-style-type: none"> <li>Meetings and formal dialogue</li> <li>Representation through various trade bodies workshops</li> </ul>	Other – Need basis	Business-related
Industry Associations	No	<ul style="list-style-type: none"> <li>Conferences, global events and workshops</li> <li>Press releases and newsletters</li> <li>Written Communications</li> <li>Meetings</li> <li>Publications and Announcements</li> </ul>	Other – Need basis	Business-related
Communities and NGOs	No	<ul style="list-style-type: none"> <li>Conferences and workshops</li> <li>Communication via telephone, email, etc.</li> <li>Community-participation events</li> <li>CSR partnerships - Contribution towards various causes</li> <li>Communication with Beneficiary Committees</li> </ul>	Other – Need basis	To obtain a social license to operate in communities around our operations
Media	No	<ul style="list-style-type: none"> <li>Written Communications</li> <li>Interviews and Forums</li> <li>Meetings</li> <li>Publications and Announcements</li> <li>Media releases</li> </ul>	Other – Need basis	Business-related

### Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Investors and shareholders raise their concerns to the Board at Annual General Meetings (AGMs) as per SEBI requirements.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, Gati circulated the stakeholder engagement and materiality assessment questionnaire to all its stakeholders to identify key environmental and social topics. Based on the material topics identified, Gati is in the process of forming key environmental and social initiatives.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Gati has taken multiple initiatives to address the concerns of vulnerable & marginalized stakeholder groups which have evolved throughout the years with their key focus being employee betterment & improved employee connect. Such instances & initiatives include:

- Monthly OU Visits by the business HRs of respective territories.
- Townhall meetings
- Skip level meetings
- Neev program which focusses on employee empowerment & inclusiveness where employees gather in small groups along with their unit heads & HR from different functions to discuss on finding solutions to specific problems at employee levels.
- Diversity & Inclusion committees are at place to discuss on D&I related problems.

## PRINCIPLE 5 Businesses should respect and promote human rights

## Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. employees / workers covered (B)	% (B / A)	Total (C)	No. employees / workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	3,247	26	0.8%	3,462	0	0
Other than permanent	0	0	0	0	0	0
<b>Total Employees</b>	<b>3,247</b>	<b>26</b>	<b>0.8%</b>	<b>3,462</b>	<b>0</b>	<b>0</b>
<b>Workers</b>						
Permanent	0	0	0	0	0	0
Other than permanent	0	0	0	0	0	0
<b>Total Workers</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note: Gati is in the process of setting up systems to capture data for Workers.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
<b>Permanent</b>										
Male	2,822	0	0	2,822	100%	3,117	0	0	3,117	100%
Female	425	0	0	425	100%	345	0	0	345	100%
<b>Other than Permanent</b>										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
<b>Workers</b>										
<b>Permanent</b>										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
<b>Other than Permanent</b>										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0

Note: Gati is in the process of setting up systems to capture data for Workers.

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	8	19,61,175	3	1,05,000
Key Managerial Personnel	3	1,50,00,000	1	39,27,878
Employees other than BoD and KMP	2819	3,05,000	424	3,00,000
Workers	NA	NA	NA	NA

Note: Gati is in the process of setting up systems to capture data for Workers

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, Gati Limited has a Human Rights policy in place. At Gati, Mehernosh Mehta is the focal point responsible for human rights-related aspects. Email ID: [mehernosh.mehta@gatikwe.com](mailto:mehernosh.mehta@gatikwe.com)

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

Gati has formulated internal mechanisms to redress human rights-related grievances to encourage transparent communication among employees and management across the organization. Gati ensures that all employees are aware of updates and changes in the Human Rights Policy through regular training. Employees are provided with the opportunity to raise concerns regarding conflicts in terms of the language of the policy, policy requirements and other elements of the policy along with questions regarding the same.

Gati recommends employees to raise concerns with the local Human Resource Department, and Legal Department and if further escalation is required then they are requested to get in contact with the management and CHRO Mr Mehernosh Mehta. This is done by providing a system of confidential reporting of any concerns, risks, violations, issues and threats to persons or groups of persons.

Employees can register potential violations or threats/risks through the grievance redressal channel by writing an email to [mehernosh.mehta@gatikwe.com](mailto:mehernosh.mehta@gatikwe.com)

**6. Number of Complaints on the following made by employees and workers:**

Category	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	1	0	0	1	0	0
Discrimination at workplace	0	0	0	0	0	0
Child Labour	0	0	0	0	0	0
Forced Labour/ Involuntary Labour	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other human rights related issues	0	0	0	0	0	0

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

Yes, Gati has mechanisms in place to prevent adverse consequences to the complainant in discrimination and harassment cases. The details of the complainant are kept confidential, and the authenticity of the complainant's report is investigated by the assigned committee. The details regarding the investigation are also limited to the committee and kept confidential. The complainant is protected from any discrimination and harassment till the issue is resolved. This is done in order to safeguard the complainant's interest and confidence.

**8. Do human rights requirements form part of your business agreements and contracts?**

(Yes/No)

Gati expects all its suppliers to adhere to the highest standards of ethical conduct in line with country-specific laws and conventions for their labor practices. This includes the abolition of child labor, forced labor, bonded labor etc. Gati expects its suppliers to create and maintain an environment that treats all employees with dignity and respect and refuses to tolerate any harassment or inhumane treatment including but not limited to mental cruelty, violence, sexual exploitation or corporal punishment of any kind. It is ensured that the human rights requirements are actively communicated internally and externally through the Sustainable Procurement Policy and Supplier Code of Conduct.

**9. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No corrective actions have been taken as there have been no risks and concerns arising from the assessments.

### Leadership Indicators

- Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.**  
Gati did not receive any grievances or complaints regarding Human Rights principles and guidelines therefore there are no modifications required.
- Details of the scope and coverage of any Human rights due diligence conducted.**  
Human Rights due diligence has not been conducted. However, Gati plans to conduct due diligence going forward.
- Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**  
Some of the Gati premises are designed/structured in manner to be made accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016. The following steps have been undertaken to achieve this:
  - Ramps for access to warehouses in a few locations
  - Moving ahead all the new warehouses will be structured in a more inclusive manner to accommodate differently-abled employees, workers and visitors

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	0%
Discrimination at workplace	0%
Child Labour	0%
Forced Labour/Involuntary Labour	0%
Wages	0%
Others – please specify	0%

Note: Gati currently does not assess its value chain partners at the moment.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No corrective actions have been taken as there have been no risks and concerns arising from the assessments.

## PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment

### Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	19,457.18	NA
Total fuel consumption (B)	3,790.13	NA
Energy consumption through other sources ©	NA	NA
<b>Total energy consumption (A+B+C)</b>	<b>23,247.31</b>	<b>NA</b>
Energy intensity per rupee of turnover (Total energy consumption/turnover in crore rupees) (GJ/INR Crore)	13.31	NA

Note: No external assurance was carried out on environmental parameters for FY 2022-23. Information for FY 2021-22 has not been compiled as this is the first year of reporting on BRSR indicators.

NA = Not Available

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Gati does not have sites / facilities identified as designated consumer under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in kilolitres)</b>	NA	NA
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	NA	NA
<b>Total volume of water consumption (in kilolitres)</b>	NA	NA
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	NA	NA
<b>Water intensity (optional) – the relevant metric may be selected by the entity</b>	NA	NA

Note: No external assurance was carried out on environmental parameters for FY 2022-23. Gati is currently not tracking its water consumption and is in the process of setting systems and procedures.

NA = Not Available

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Zero Liquid Discharge is not applicable to Gati as it is a logistics company and does not own any manufacturing plants.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
NOx	MT	NA	NA
SOx	MT	NA	NA
Particulate matter (PM)	MT	NA	NA
Carbon Monoxide (CO)	MT	NA	NA
Non Methyl Hydrocarbon (NMHC)	MT	NA	NA

Note: No external assurance was carried out on environmental parameters for FY 2022-23. Gati is currently not tracking its stack or air emissions and is in the process of setting systems and procedures.

NA = Not Available

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	337.39	NA
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	3213.58	NA
<b>Total Scope 1 and Scope 2 emissions per rupees in crore of turnover</b>	tCO <sub>2</sub> / INR Crore	2.03	NA

Note: No external assurance was carried out on environmental parameters for FY 2022-23

NA = Not Available

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes. Given the nature of the industry, road transportation is prone to producing a high quantity of Greenhouse Gas (GHG) emissions. Gati has set a goal to deploy 100 Electric Vehicles (EVs) in the first & last mile and was able to achieve 125+ EVs by March'23. This has helped Gati reduce its GHG emissions significantly with over 25,000+ tCO<sub>2</sub>e reduced, equivalent to 8,33,333 trees. At a few of its warehouses, Gati has adopted solarization projects and is planning to install solar projects of 1.1+ MW in the coming years.

8. Provide details related to waste management by the entity, in the following format:

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Parameter	FY 2022-23	FY 2021-22
<b>Total Waste generated (in metric tonnes)</b>	NA	NA
E-Waste (A)	NA	NA
Biomedical Waste (B)	NA	NA
Battery Waste (C)	NA	NA
Used oil	NA	NA

Parameter	FY 2022-23	FY 2021-22
Miscellaneous Hazardous Waste (Process Waste, ETP sludge, etc.) (D)	NA	NA
Paper and Cardboard Waste (E)	NA	NA
Plastic Waste (F)	NA	NA
Metal Scrap (G)	NA	NA
Glass Waste (H)	NA	NA
Wood Waste (I)	NA	NA
Miscellaneous Non-Hazardous Waste (J)	NA	NA
<b>Total (A + B + C + D + E + F + G + H + I + J)</b>	<b>NA</b>	<b>NA</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>	NA	NA
(i) Recycled	NA	NA
(ii) Re-used	NA	NA
(iii) Co-processing	NA	NA
<b>Total</b>	<b>NA</b>	<b>NA</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>	NA	NA
(i) Incineration	NA	NA
(ii) Landfilling	NA	NA
(iii) Other disposal operations	NA	NA
<b>Total</b>	<b>NA</b>	<b>NA</b>

Note: No external assurance was carried out on environmental parameters for FY 2022-23. Waste generation is not being tracked currently. Gati is in the processing of tracking its waste and setting appropriate practices for waste management.

NA = Not Available

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

As a logistics company, Gati does not manufacture any products and thus does not use any hazardous or toxic chemicals. Currently, we are in the processing of tracking our waste and setting appropriate practices for waste management.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Gati is yet to conduct a study of its operations that comes under in ecological sensitive areas and is in the process of setting appropriate practices to track this.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

During the reporting period, Gati has not conducted any environment impact assessment. Gati ensures compliance to local and national applicable laws wherever required.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, Gati ensures compliance to local and national applicable laws wherever required.

### Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
<b>From renewable sources (in GJ)</b>			
Total electricity consumption (A)	GJ	615.27	NA
Total fuel consumption (B)	NA	0	NA
Energy consumption through other sources©	NA	0	NA
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>GJ</b>	<b>615.27</b>	<b>NA</b>

Parameter	Unit	FY 2022-23	FY 2021-22
<b>From non-renewable sources (in GJ)</b>			
Total electricity consumption (D)	GJ	18,841.91	NA
Total fuel consumption (E)	GJ	3,790.13	NA
Energy consumption through other sources (F)	NA	NA	NA
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	GJ	22,632.04	NA

Note: No external assurance was carried out on environmental parameters for FY 2022-23  
NA = Not Available

2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water	NA	NA
- No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(ii) To Groundwater	NA	NA
With treatment – please specify level of treatment	NA	NA
(iii) To Seawater	NA	NA
- No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties	NA	NA
- No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(v) Others	NA	NA
- No treatment	NA	NA
With treatment – Tertiary Treatment	NA	NA
<b>Total water discharged (in kilolitres)</b>	<b>NA</b>	<b>NA</b>

Note: No external assurance was carried out on environmental parameters for FY 2022-23. Water discharged is not being tracked currently.  
NA = Not Available

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area – Pan India
- (ii) Nature of operations – Logistics Services
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
<b>Total volume of water withdrawal (in kilolitres)</b>	NA	NA
<b>Total volume of water consumption (in kilolitres)</b>	NA	NA
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	NA	NA
<b>Water intensity (optional) – the relevant metric may be selected by the entity</b>	NA	NA

Parameter	FY 2022-23	FY 2021-22
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water	NA	NA
- No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(ii) Into Groundwater	NA	NA
- No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(iii) Into Seawater	NA	NA
- No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties	NA	NA
- No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(v) Others	NA	NA
- No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
<b>Total water discharged (in kilolitres)</b>	<b>NA</b>	<b>NA</b>

Note: No external assurance was carried out on environmental parameters for FY 2022-23.

Water withdrawal is not being tracked currently.

NA = Not Available

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	17,49,280.84	NA
<b>Total Scope 3 emissions per rupees in crore of turnover</b>	tCO <sub>2</sub> e/ INR Crore	1001.86	NA
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity	NA	No	No

Note: No external assurance was carried out on environmental parameters for FY 2022-23

NA = Not Available

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Gati has not conducted a Biodiversity Impact Assessment to understand the significant direct and indirect impacts.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Gati has implemented a few initiatives to improve its resource efficiency:

- Adoption of EVs in first mile and last-mile fleet
- Introduction of e-Dockets to reduce physical documentation and thus minimising the use of paper

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Our Business Continuity Management Systems (BCMS) approach is based on four pillars – Emergency Response, Crisis Management, Business Continuity Planning, and Disaster Recovery Management. IT Disaster Recovery Solution built on a hybrid strategy of on-premises and third-party cloud infrastructure that supports quick response and recovery for applications and services. It includes the implementation of a cloud-based DR solution for some critical Gati applications. We have primary data centres and disaster recovery data centres with appropriate on premise back up arrangements. We have implemented a cloud-based DR solution for enabling the backup of current applications, systems, and data required to execute business continuity planning (BCP) in case of failure of primary data centres due to any disaster.

Emergency Response and Crisis Management: Gati has established comprehensive emergency response arrangements to ensure the safety and well-being of employees, visitors, and stakeholders during emergencies. A dedicated team is responsible for coordinating and managing crisis situations. This team consists of individuals from various departments and levels within the organization, including senior management, communications, operations, legal, and human resources.

Business Continuity Planning: Integrate crisis management with business continuity planning. Identified critical business functions and developed strategies to ensure their continuity during a crisis. This includes backup systems, alternative locations, and contingency plans to minimize disruption and maintain essential operations.

**8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

Gati has not conducted a Biodiversity Impact Assessment to understand the significant direct and indirect impacts or understand impacts from the value chain.

**9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Gati has not conducted a Biodiversity Impact Assessment to understand the significant direct and indirect impacts or understand impacts from the value chain.

**PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

**1. a. Number of affiliations with trade and industry chambers/ associations.**

Gati is a member of nine trade associations.

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	International Market Association (IMA)	National
2.	Confederation Of Indian Industry (CII)	National

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Not applicable since there were no cases of anti-competitive conduct by Gati in FY 2023.

**Leadership Indicators**

**1. Details of public policy positions advocated by the entity:**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
1	0	0	0	0	0

In FY22-23, there have been no public policies that have been advocated by Gati.

**PRINCIPLE 8 Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Social impact assessments are not being presently conducted, but Gati plans on conducting SIAs in the future once the projects reach an appropriate maturity level.

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Gati does not have any projects for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by Gati Limited.

**3. Describe the mechanisms to receive and redress grievances of the community.**

Gati has a Whistleblower Policy that allows the community to register any grievances.

## 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	NA	NA
Sourced directly from within the district and neighbouring districts	NA	NA

Note: Gati is a service industry and not a manufacturing industry hence input material would not be applicable for Gati  
NA = Not Applicable

## Leadership Indicators

## 1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Social impact assessments are not being presently conducted, but Gati plans on conducting SIAs in the future once the projects reach an appropriate maturity level.

## 2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. no	State	Aspirational District	Amount spent (in ₹)
1.	Telangana	Hyderabad	11,87,000

## 3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No, Gati does not have a preferential procurement policy at the moment.

## b. From which marginalized /vulnerable groups do you procure?

No, Gati does not have a preferential procurement policy at the moment.

## c. What percentage of total procurement (by value) does it constitute?

No, Gati does not have a preferential procurement policy at the moment.

## 4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
1	NA	NA	NA	NA

NA = Not Available

## 5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Gati is not involved in any litigations for intellectual property.

## 6. Details of beneficiaries of CSR Projects:

S. no	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Donation to Schools	NA	NA

Note: The donation was given to schools for the benefit of education to underprivileged children

## PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible

## Essential Indicators

## 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Being a customer-centric company, Gati Limited is always looking to enhance its customer experience by actively recording and addressing grievances and feedback. Through the Online Reputation Management tracking system through social media or publicly available platforms, Gati keeps a check on all customer complaints and queries raised. Complaints and feedback received through mails are addressed by Customer Experience team, and twice a day the reports are published.

All IT-related complaints are observed by the IT helpdesk and complaints can be raised over mail [it\\_ser\\_request@gatikwe.com](mailto:it_ser_request@gatikwe.com).

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	Not Applicable
Recycling and/or safe disposal	Not Applicable

3. Number of consumer complaints in respect of the following:

Category	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	None	0	0	None
Advertising	0	0	None	0	0	None
Cyber-security	0	0	None	0	0	None
Delivery of essential services	0	0	None	0	0	None
Restrictive Trade Practices	0	0	None	0	0	None
Unfair Trade Practices	15	25	Pending adjudication for hearing	13	13	Pending adjudication for hearing
Other	0	0	None	0	0	None

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Not Applicable	Not Applicable
Forced recalls	Not Applicable	Not Applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, Gati has an Information Security and Cybersecurity Policy that ensures commitment to the highest standards of cybersecurity practices. Web-link of the policy: <https://www.gati.com/wp-content/uploads/2023/04/Information-Security-and-Cyber-Security-Policy.pdf>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Gati has a strong commitment to maintaining customer privacy and cybersecurity. Given that Gati captures personally identifiable information of its customers for deliveries, appropriate technical and process control measures are implemented. The IT systems are ISO 27001:2013 certified and are in line with the NIST framework. There are strong procedures for incident management, and vulnerability assessments are regularly conducted. We have attained a rating of 790 on the BitSight cybersecurity performance ratings, helping us achieve an 'Advanced' rating for our cybersecurity system.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

LinkedIn: <https://www.linkedin.com/company/gatilimited/posts/?feedView=all&viewAsMember=true>

Facebook: <https://www.facebook.com/gatilimited>

Instagram: <https://instagram.com/gatilttd?igshid=YmMyMTA2M2Y=>

Twitter: <https://twitter.com/GATIKWEIndia?t=Fso1bw-7XTaAWK1ZZBVLVg&s=08>

YouTube: <https://www.youtube.com/@gatilttd9387>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Gati is currently not conducting any consumer awareness activities.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**  
In case of service disruption, the customer service team sends service advisories to the customers
4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**  
Yes, Gati conducts the Customer Satisfaction Survey (C-Sat) on an annual basis.
5. **Provide the following information relating to data breaches:**
  - a. **Number of instances of data breaches along-with impact**  
Gati has had zero instances of data breaches in the reporting period.
  - b. **Percentage of data breaches involving personally identifiable information of customers**  
Gati has had zero instances of data breaches in the reporting period.

# Independent Auditor's Report

To the Members of Gati Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying Standalone Financial Statements of Gati Limited ("the Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2023, its losses including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with

the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>Assessment of carrying value of Assets held for sale</b> (as described in Note 16 of the Standalone Financial Statements)</p> <p>The Company has classified assets earmarked for disposal as Assets held for sales. Assets held for sales are carried at fair value or cost whichever is lower.</p> <p>The determination of the fair value of financial assets is considered to be a significant area in view of the materiality of amounts involved, judgements involved in selecting the valuation basis, use of unobservable inputs and non-binding offers from and negotiation held with prospective buyers as a result of which fair value is sensitive to change in input assumption.</p> <p>Accordingly, this matter has been determined to be a key audit matter in our audit of the Standalone Financial Statements</p>	<p>Our audit procedures among other things included the following:</p> <ul style="list-style-type: none"> <li>We obtained an understanding of the Company's internal financial controls relating to assessment of carrying amount of Assets held for sale, evaluated the design and tested the operating effectiveness of such controls.</li> <li>We assessed objectivity and independence of external specialist engaged by the management for evaluation of recoverable value. We obtained and read the report of external specialist to understand the nature and scope of work performed including testing of key assumptions such as similar comparable properties value, discount rate, replacement cost and estimates and their outcome of testing.</li> <li>We involved our subject matter experts to assess the reasonableness of the valuation methodology and underlying assumptions used by the management to arrive at the fair value of properties, on a sample basis.</li> <li>We verified the agreements to sell and negotiations made with prospective buyer.</li> <li>We assessed the appropriateness of disclosures made by the Company in accordance with Ind AS and Schedule III to Companies Act, 2013.</li> </ul>

### Other Information

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

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

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

### Responsibilities of Management and Those charged with governance for the Standalone Financial Statements

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

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

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

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if,

individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure

about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

The financial statements of the Company for the year ended March 31, 2022, included in these Standalone Financial Statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 20, 2022.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with

Companies (Indian Accounting Standards) Rules, 2015, as amended;

- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to these Standalone Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the Managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 37(i)(a) to the Standalone Financial Statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

- iii. Following are the instances of delay in transferring amounts to the Investor Education and Protection Fund by the Company

Period to which the amount relates	Amount (₹ in Lacs)	Delay in days	Remarks
FY 2007-08	0.32	3,106	Company is in the process of depositing these amounts with Investor Education and Protection Fund.
FY 2008-09	0.51	2,740	
FY 2010-11	0.00	2,010	
FY 2011-12	0.67	1,645	
FY 2012-13	0.65	1,279	
FY 2013-14	1.27	914	
FY 2014-15	2.94	549	
FY 2015-16	7.79	184	
<b>14.16</b>			

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

- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations
- under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per **Aniket A Sohani**

Partner

Membership No.: 117142

UDIN: 23117142BGYJBB3782

Mumbai  
May 19, 2023

# Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Gati Limited ("the Company")

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a) (B) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 3A and 16 to the Standalone Financial Statements are held in the name of the Company except two of immovable properties as indicated in the below mentioned cases as at March 31, 2023 for which title deeds were not available with the Company and hence we are unable to comment on the same.

(Amount In lacs)

Description of Property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company
Freehold building (Chennai Myalpure)	352	TCI Limited	No	Since 2000	The asset was transferred to the Company pursuant to the business transfer arrangement with TCI Limited and the same is in the process of sale.
Freehold building (Sholapur)	0.01	TCI Limited	No	Since 2000	The asset was transferred to the Company pursuant to the business transfer arrangement with TCI Limited and the same is in the process of sale.

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) during the year ended March 31, 2023. The Company has not capitalized any intangible assets in the books of the Company.

(Amount in lacs)

Particulars	Loans
Aggregate amount granted/ provided during the year	
- Subsidiaries	2,250.00
Balance outstanding as at balance sheet date in respect of above cases	
- Subsidiaries	2,254.00

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

- (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification by the management is reasonable and the coverage and procedure for such verification is appropriate and no discrepancies were noted.

- (b) The Company has not been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

- (a) During the year the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to companies as follows:

- (b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans, investments and guarantees to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.

- (c) The Company has granted loans and advance in the nature of loans during the year to companies, where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

- (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

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

- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) Loans, investments, guarantees and security in respect of which provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.
- (vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, undisputed dues in respect of unclaimed public deposits were outstanding, at the year end, for a period of more than six months from the date they became payable are referred below. The provision of Sales-tax, duty of custom, duty of excise, value added tax are not applicable to the Company.
- (v) In respect of deposits accepted or amounts which are deemed to be deposits, directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules made there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

## Statement of Arrears of Statutory dues outstanding for more than six months

Name of the Statute	Nature of the Dues	Amount (₹ in Lacs)	Period to which the amount relates	Remarks, if any
Companies Act, 2013	Unclaimed public deposits exceeding seven years from the date of maturity	14.16	Various years from 2007-08 to 2015-16	Company is in the process of depositing these amounts with Investor Education and Protection Fund.

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

(Amount in lakhs)

Name of the Statute	Nature of the Dues	Amount (₹ in Lacs)	Period to which amount pertains	Forum where dispute is pending
Finance Act, 1994	Service Tax	4,403.24	2015 – 2022	CESTAT, Audit Commissionerate, Commissioner of service tax

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) The Company did not raise any funds during the year hence, the requirement to report on clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) On an overall examination of the Standalone Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) On an overall examination of the Standalone Financial Statements of the Company, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has complied with provisions of Sections 42 and 62 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares/ fully or partially or optionally

convertible debentures respectively during the year. The funds raised, have been used for the purposes for which the funds were raised.

- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Standalone Financial Statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year. In the immediately preceding financial year, the Company had incurred cash losses amounting to ₹ 1,324.42 lakhs.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 54 to the Standalone Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx) of the Order is not applicable to the Company.

For **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per **Aniket A Sohani**

Partner

Mumbai  
May 19, 2023

Membership No.: 117142  
UDIN: 23117142BGYJBB3782

## Annexure '2' to the Independent Auditor's Report of even date on the Standalone Financial Statements of Gati Limited

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

We have audited the internal financial controls with reference to Standalone Financial Statements of Gati Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the

Company's internal financial controls with reference to these Standalone Financial Statements.

### Meaning of Internal Financial Controls with Reference to these Standalone Financial Statements

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

### Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

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

### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per **Aniket A Sohani**

Partner

Membership No.: 117142

UDIN: 23117142BGYJBB3782

Mumbai  
May 19, 2023

# Standalone Balance sheet

as at March 31, 2023

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

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3A	1,442	2,484
Right-of-use Assets	3B	54	839
Investment in Subsidiaries	4	55,305	55,310
<b>Financial Assets</b>			
Other Financial Assets	5	4	-
Tax Assets, net	6	589	652
Other Non-Current Assets	7	126	137
		<b>57,520</b>	<b>59,422</b>
<b>Current Assets</b>			
Inventories	8	244	279
<b>Financial Assets</b>			
Current Investments	9	-	1,011
Trade Receivables	10	441	870
Cash and Cash Equivalents	11	259	547
Other Bank Balances	12	7,637	177
Loans	13	2,254	3
Other Financial Assets	14	1,772	345
Other Current Assets	15	396	340
<b>Total current assets before assets held for sale</b>		<b>13,003</b>	<b>3,572</b>
Assets Held for Sale	16	2,418	5,133
		<b>15,421</b>	<b>8,705</b>
<b>Total Assets</b>		<b>72,941</b>	<b>68,127</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	17	2,603	2,459
Other Equity	18	66,900	60,759
		<b>69,503</b>	<b>63,218</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	19	-	105
Lease Liabilities	20	44	5
Other Financial Liabilities	21	-	12
Provisions	22	48	35
		<b>92</b>	<b>157</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	23	99	299
Lease Liabilities	20	10	2
Trade Payables	24	-	-
(a) Total Outstanding Dues of micro and small enterprises		-	-
(b) Total Outstanding Dues of creditor other than micro and small enterprises		94	257
Other Financial Liabilities	25	2,905	3,328
Other Current Liabilities	26	230	861
Provisions	22	8	5
		<b>3,346</b>	<b>4,752</b>
<b>Total Liabilities</b>		<b>3,438</b>	<b>4,909</b>
<b>Total Equity and Liabilities</b>		<b>72,941</b>	<b>68,127</b>
Significant accounting policies	2		

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached  
**For S.R. BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm Registration No: 101049W/E300004

**Aniket A Sohani**  
Partner  
Membership no: 117142

Place: Mumbai  
Date: May 19, 2023

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

**Shashi Kiran Shetty**  
Chairman & Managing Director  
DIN: 00012754

**Anish T Mathew**  
Chief Financial Officer  
M. No. 211965

Place: Hyderabad  
Date: May 19, 2023

**Pirojshaw Sarkari**  
Chief Executive Officer

**T S Maharani**  
Company Secretary  
M No. F8069

Place: Hyderabad  
Date: May 19, 2023

# Standalone Statement of Profit and Loss

for the Year ended March 31, 2023

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

Particulars	Notes	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>I INCOME</b>			
Revenue from Operations	27	25,698	24,955
Other Income	28	708	805
<b>TOTAL INCOME (I)</b>		<b>26,406</b>	<b>25,760</b>
<b>II EXPENSES</b>			
Operating Expenses	29	199	1,683
Purchase of stock-in-trade		24,744	22,162
Changes in Inventories of Stock-in-Trade	30	36	51
Employee Benefits Expense	31	314	410
Finance Costs	32	34	139
Depreciation and Amortization Expense	33	67	109
Other Expenses	34	728	1,231
<b>TOTAL EXPENSES (II)</b>		<b>26,122</b>	<b>25,785</b>
<b>III PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)</b>		<b>284</b>	<b>(25)</b>
<b>IV Exceptional Items</b>	35	(803)	(2,296)
<b>V PROFIT/(LOSS) BEFORE TAX (III+IV)</b>		<b>(519)</b>	<b>(2,321)</b>
<b>VI TAX EXPENSES</b>	36		
Current Tax		40	16
Deferred Tax		-	-
Tax related to earlier years		(16)	(323)
<b>TOTAL TAX EXPENSES</b>		<b>24</b>	<b>(307)</b>
<b>VII PROFIT/(LOSS) FOR THE YEAR (V-VI)</b>		<b>(543)</b>	<b>(2,014)</b>
<b>VIII OTHER COMPREHENSIVE INCOME (OCI)</b>			
Items not to be reclassified to profit or loss in subsequent periods:			
a) Re-Measurement gains/(losses) on defined benefit plans		(15)	(7)
b) Income tax effect on above item		-	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, (NET OF TAX)</b>		<b>(15)</b>	<b>(7)</b>
<b>IX TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VII+VIII)</b>		<b>(558)</b>	<b>(2,021)</b>
<b>X EARNINGS PER EQUITY SHARE</b>	43		
<b>[Nominal value per share ₹ 2/- (March 31, 2022: `2/-)]</b>			
Basic (in ₹)		(0.43)	(1.64)
Diluted (in ₹)		(0.43)	(1.64)
Significant accounting policies	2		

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached  
**For S.R. BATLIBOI & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm Registration No: 101049W/E300004

**Aniket A Sohani**  
Partner  
Membership no: 117142

Place: Mumbai  
Date: May 19, 2023

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

**Shashi Kiran Shetty**  
Chairman & Managing Director  
DIN: 00012754

**Anish T Mathew**  
Chief Financial Officer  
M. No. 211965

Place: Hyderabad  
Date: May 19, 2023

**Pirojshaw Sarkari**  
Chief Executive Officer

**T S Maharani**  
Company Secretary  
M No. F8069

Place: Hyderabad  
Date: May 19, 2023

# Standalone Cash Flow Statement

for the Year ended March 31, 2023

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>(A) Cash flow from Operating Activities</b>		
Loss Before Taxes after exceptional items as per Statement of Profit and Loss	(519)	(2,321)
<b>Adjustments for :</b>		
Depreciation and Amortization Expense	67	109
Loss on sale of Property, plant & equipment	4	44
Impairment Charged of Property, plant & Equipment	345	524
Impairment Charged in the realisable value of Non-core Assets	674	214
Net gain on disposal of Non-core Assets	(479)	-
Loss on Sale of Assets Held for Sale	-	78
Impairment allowance for Investment	5	57
Loss on write off of Property, Plant and Equipment	258	-
Finance Costs	34	139
Allowance for Expected Credit Loss	148	201
Bad debts and advances written off (net of allowances)	22	43
Allowance for Capital Advances and Others	-	15
Interest Income	(312)	(16)
Gain on Investments measured at FVTPL, net	-	(7)
Net gain realised on Sale of Mutual Funds	(8)	(12)
Interest Income on Refund of Income Tax	(9)	(33)
Liability no longer required written back	(208)	(171)
Gain on Sale of Investments	-	(6)
Gain Foreign Exchange	-	(2)
Severance payment on disposal of Investment in GKIL	-	1,305
Share based payment - Expense (ESARs - Equity)	88	3
<b>Operating Profit Before working capital changes</b>	<b>110</b>	<b>165</b>
Decrease in Inventories	36	51
Decrease / (Increase) in Trade receivables	310	(160)
Increase in Other Current Assets	(42)	(100)
Decrease in Other Non Current Assets	11	104
Increase in Other Non - Current Financial Assets	(6)	-
Decrease / (Increase) in Other Current Financial Assets	253	(66)
Decrease / (Increase) in Loans	(1)	792
Decrease in Trade Payable	(132)	(53)
Decrease in Current Financial Liabilities	(287)	(552)
Increase / (Decrease) in Current Liabilities	(22)	31
Increase in Provisions	2	21
<b>Cash generated from Operating Activities</b>	<b>232</b>	<b>233</b>
Direct Taxes paid (net of refunds)	40	(1,940)
<b>Net Cash flow generated/(used) from Operating Activities (A)</b>	<b>272</b>	<b>(1,707)</b>
<b>(B) Cash Flow From Investing Activities :</b>		

# Standalone Cash Flow Statement

for the Year ended March 31, 2023

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Proceeds from sale of Property Plant and Equipment	29	2,528
Expenditure on Property Plant and Equipment including lease improvements	(83)	(90)
Sale proceeds from Sale of Non-core Assets	3,173	-
Sale proceeds from Investments	1,119	4,413
Purchase of Current Investments	(100)	(5,400)
Inter-corporate Deposits to Subsidiary	(2,250)	-
(Purchases of)/Proceeds from Bank Fixed Deposits	(7,462)	113
Interest Received	143	18
Severance payment on disposal of Investment in Gati Kausar India Limited	-	(1,305)
<b>Net Cash flow generated/(used) from Investing Activities (B)</b>	<b>(5,431)</b>	<b>278</b>
<b>(C) Cash Flow From Financing Activities</b>		
Proceeds from issue of Equity Shares and Share Warrants (Net of issue expenses)	5,250	2,737
Repayment of Long term Borrowings	-	(1,344)
Repayment of Public Deposits	(306)	(297)
Payment of Unpaid Dividend and transfer to IEPF	(9)	(22)
Payment of Principal Portion of Lease Liabilities	(3)	(1)
Payment of interest on Lease Liabilities	(3)	-
Interest Paid	(58)	(119)
<b>Net Cash flow generated from Financing Activities (C)</b>	<b>4,871</b>	<b>956</b>
<b>Net Decrease in Cash and Cash Equivalents (A+B+C)</b>	<b>(288)</b>	<b>(473)</b>
Cash and Cash Equivalents at the beginning of the year	547	1,021
<b>Cash and Cash Equivalents at the year end</b>	<b>259</b>	<b>547</b>

**Notes:**

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

2. Components of Cash and Cash Equivalents	As at March 31, 2023	As at March 31, 2022
Cash on hand	11	16
Balance with Banks:		
In Current Accounts	248	531
<b>Cash and Cash Equivalents (Refer Note 11)</b>	<b>259</b>	<b>547</b>

As per our report of even date attached  
**For S.R. BATLIBOI & ASSOCIATES LLP**  
 Chartered Accountants  
 ICAI Firm Registration No: 101049W/E300004

**Aniket A Sohani**  
 Partner  
 Membership no: 117142

Place: Mumbai  
 Date: May 19, 2023

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

**Shashi Kiran Shetty**  
 Chairman & Managing Director  
 DIN: 00012754

**Anish T Mathew**  
 Chief Financial Officer  
 M. No. 211965

Place: Hyderabad  
 Date: May 19, 2023

**Pirojshaw Sarkari**  
 Chief Executive Officer

**T S Maharani**  
 Company Secretary  
 M No. F8069

Place: Hyderabad  
 Date: May 19, 2023

# Statement of Changes in Equity

for the year ended March 31, 2023

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

## A) Equity Share Capital

Particulars	No of Shares	Amount
<b>Balance as at March 31, 2021</b>	12,19,45,977	2,439
Add/(Less): Changes in Equity Share Capital for the year ended March 31, 2022	10,23,020	20
<b>Balance as at March 31, 2022</b>	<b>12,29,68,997</b>	<b>2,459</b>
Add/(Less): Changes in Equity Share Capital for the year ended March 31, 2023	71,61,120	144
<b>Balance as at March 31, 2023</b>	<b>13,01,30,117</b>	<b>2,603</b>

## B) Other Equity

Particulars	Reserves and Surplus							Money Received against Share warrants	Total
	Securities Premium	General Reserve	Capital Reserve	Tonnage Tax Reserve (utilised)	Share based Payment reserve - ESAR's	Special Reserve	Retained Earnings		
<b>Balance as at March 31, 2022</b>	35,067	8,785	2,084	929	56	22,336	(10,249)	1,750	60,759
Profit/(Loss) for the current year	-	-	-	-	-	-	(543)	-	(543)
Other Adjustments	-	-	-	-	1,593	-	-	-	1,593
Issue of equity shares on exercise of share warrants*	6,857	-	-	-	-	-	-	(1,750)	5,107
Other Comprehensive Income for the current year	-	-	-	-	-	-	(15)	-	(15)
<b>Balance as at March 31, 2023</b>	<b>41,924</b>	<b>8,785</b>	<b>2,084</b>	<b>929</b>	<b>1,649</b>	<b>22,336</b>	<b>(10,807)</b>	<b>-</b>	<b>66,900</b>

\* During the current year, the Company has issued and allotted 71,61,120 Equity Shares of face value of ₹ 2/- each ("Equity Shares") against share warrants at a price of ₹ 97.75/- per Equity Share at a premium of ₹ 95.75/- per Equity Share, aggregating up to ₹ 6,857 lakhs.

Particulars	Reserves and Surplus							Money Received against Share warrants	Total
	Securities Premium	General Reserve	Capital Reserve	Tonnage Tax Reserve (utilised)	Share based Payment reserve - ESAR's	Special Reserve	Retained Earnings		
<b>Balance as at March 31, 2021</b>	34,100	8,785	2,084	929	-	22,336	(8,228)	-	60,007
Profit/(Loss) for the year	-	-	-	-	-	-	(2,014)	-	(2,014)
Issue of shares pursuant to preferential allotment**	967	-	-	-	-	-	-	-	967
Issue of Share warrants	-	-	-	-	-	-	-	1,750	1,750
Share based payment reserve (ESARs - Equity)	-	-	-	-	56	-	-	-	56
Other Comprehensive Income for the year	-	-	-	-	-	-	(7)	-	(7)
<b>Balance as at March 31, 2022</b>	<b>35,067</b>	<b>8,785</b>	<b>2,084</b>	<b>929</b>	<b>56</b>	<b>22,336</b>	<b>(10,249)</b>	<b>1,750</b>	<b>60,759</b>

\*\* During the previous year, the Company has issued and allotted 10,23,020 Equity Shares of face value of ₹ 2/- each ("Equity Shares") against share warrants at a price of ₹ 97.75/- per Equity Share at a premium of ₹ 95.75/- per Equity Share, aggregating up to ₹ 980 lakhs. Expenses incurred ₹ 13 lakhs for preferential allotment are adjusted against the securities premium.

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached  
**For S.R. BATLIBOI & ASSOCIATES LLP**  
 Chartered Accountants  
 ICAI Firm Registration No: 101049W/E300004

**Aniket A Sohani**  
 Partner  
 Membership no: 117142

Place: Mumbai  
 Date: May 19, 2023

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

**Shashi Kiran Shetty**  
 Chairman & Managing Director  
 DIN: 00012754

**Anish T Mathew**  
 Chief Financial Officer  
 M. No. 211965

Place: Hyderabad  
 Date: May 19, 2023

**Pirojshaw Sarkari**  
 Chief Executive Officer

**T S Maharani**  
 Company Secretary  
 M No. F8069

Place: Hyderabad  
 Date: May 19, 2023

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

## Corporate and general information:

Gati Limited ("the Company") is a public limited company incorporated in 1995 under provisions of the Companies Act, 1956 having its Registered and Corporate Office at 4<sup>th</sup> floor, Western Pearl, Survey no.13(P), Kondapur, Hyderabad - 500 084, Telangana, India. The Company is primarily engaged in the business of E-commerce logistics, and running of fuel stations. The Company is listed in the National Stock exchange of India (NSE) and Bombay Stock exchange (BSE).

## 1. Basis of Accounting

### 1.1 Statement of Compliance

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

The financial statement are approved for issue by the Audit Committee and by the Board of Directors at its meeting held on May 19, 2023.

### 1.2 Basis of Measurement

The standalone financial statements have been prepared on a going concern basis using historical cost convention, except

- Financial Instruments - Measured at Fair value/ Amortised cost;
- Plan Assets under defined benefit plans—Measured at fair value;
- Employee Share based payments- Measured at fair value

### 1.3 Functional and Presentation Currency

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

### 1.4 Use of Estimates and Judgements

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

Critical accounting estimates and judgments used are as below:

- Defined benefit obligation
- Recognition of current tax and deferred tax
- Recognition and measurement of provisions and contingencies
- Fair value measurement of Financial instruments
- Provision for Doubtful Debts and advances
- Share based payment.

### 1.5 Current Vs Non-Current Classification

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

- Expected to be realized or intended to sell or consume in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

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

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

### Recent accounting pronouncements

Recent accounting pronouncements Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1<sup>st</sup>, 2023, as below:

- Ind AS 1 – Presentation of Financial Statements:** The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

- ii. **Ind AS 12 – Income Taxes:** The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.
- iii. **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors:** The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its financial statements.

## 2. Significant Accounting Policies:

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

### 2.1 Property, plant and equipment

#### Recognition and Measurement:

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

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

#### Capital work in progress and Capital Advances:

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

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

#### Non-current assets held for sale

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

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

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

#### Subsequent Expenditure:

- Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Items such as spare parts, stand by equipment's and servicing equipment's that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.
- Cost in nature of repair and maintenance expenses are charged to the statement of profit or loss during the reporting period in which they are incurred.

#### Depreciation and Amortisation:

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

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

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

## Derecognition of Assets:

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

## 2.2 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identifiable asset for a period of time in exchange for consideration.

### Company as a lessee

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

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

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

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.3 Impairment of assets.

#### (ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease

incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### (iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of properties, machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

## 2.3 Impairment of assets:

- The Company assesses at each reporting date whether there is any indication that an asset (tangible or intangible), may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units (CGU) net selling price and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss.

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

have decreased and such reversal is recorded in the Statement of Profit and Loss to the extent previously recognized in P&L and remaining amount transferred to reserves.

- b. Assets that are subject to depreciation and amortisation and assets representing investments in subsidiary and associate companies are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.
- c. An entity shall test an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment, irrespective of whether there is any indication of impairment. This impairment test may be performed at any time during the year, provided it is performed at the same time every year.

## 2.4 Foreign currency Transactions:

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

## 2.5 Investments in Subsidiaries and Associates :

The Company has accounted for its investments in subsidiaries and associates at cost less accumulated impairment.

## 2.6 Inventories:

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

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the

sale. Cost are assigned to inventory on First in First out basis.

## 2.7 Revenue Recognition:

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

### a) Freight services:

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

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

### b) Sales of Goods:

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

### c) Others:

- I. Dividend income from investments is recognised when the right to receive payment has been established.
- II. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and amount of income can be measured reliably.
- III. Rent income is recognised on a straight-line basis over the period of the lease.
- IV. Reimbursement of cost is netted off with the relevant expenses incurred, since the same are incurred on behalf of the customers.
- V. Business support charges are recognized as and when the related services are rendered.

## 2.8 Contract Balances:

Contract balances include trade receivables, contract assets and contract liabilities.

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

## Trade receivables:

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

## Contract assets:

Contract asset includes the costs deferred for express distribution operations relating to cargo transportation operations where Company's performance obligation is yet to be completed. Additionally, a contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

## 2.9 Financial instruments:

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

### (i) Financial assets:

#### a) Initial recognition and measurement:

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

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

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

#### • Financial assets at amortised cost:

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

- (a) The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

#### • Financial assets at fair value through other comprehensive income (FVOCI):

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

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

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI.

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

#### • Financial assets at fair value through profit or loss (FVTPL):

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

### b) Subsequent measurement

For purposes of subsequent measurement:

Category	Subsequent measurement and gains and Losses
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method (EIR). The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

Category	Subsequent measurement and gains and Losses
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to Statement of Profit and Loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.

## (ii) Financial Liability:

Financial liabilities are classified and measured at amortised cost or FVTPL

### a) Initial Recognition & Subsequent measurement:

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

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

- **Financial liabilities at amortised cost:**

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

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

### b) Financial guarantee liability:

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

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

## (iii) Impairment of Financial Assets:

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

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

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

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

As a practical expedient, the Company uses historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates to determine impairment loss allowance on portfolio of its trade receivables.

## (iv) Derecognition:

### a) Financial Assets:

The Company derecognizes a financial asset only

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

### b) Financial liabilities:

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

## (v) Offsetting:

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

## 2.10 Fair Value measurement:

A number of the Company's accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities. The Company has an established control framework with respect to the measurement of fair values.

The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. The Company measures financial assets and financial liability at fair value at each balance sheet date.

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between

levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## 2.11 Employee benefits:

### a) Current employee benefits

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

### b) Defined contribution plan:

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

### c) Defined benefit plan:

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

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

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other comprehensive income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

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

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

#### d) **Compensated absences:**

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

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

#### e) **Short-term employee benefit:**

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

## 2.12 Taxes :

#### a) **Income Tax:**

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

#### **Current tax:**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### **Deferred tax:**

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

Deferred tax related to items recognized outside the Statement of Profit and Loss is recognized outside the Statement of Profit and Loss, either in other comprehensive income or directly in equity.

Deferred tax liabilities and assets are measured using the tax rates expected to apply when the liability is settled or the asset is realized, based on tax rates and laws enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets is reviewed at the end of each reporting period.

#### b) **GST/ value added taxes paid on acquisition of assets or on incurring expenses:**

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

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

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

## 2.13 Cash and cash equivalents:

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

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

## 2.14 Provisions and Contingencies:

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

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

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

## 2.15 Borrowing cost:

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

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

## 2.16 Share based payments:

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

The fair value of option at the grant date is expensed over the vesting period with a corresponding increase in equity as "Share Option outstanding account". In case of forfeiture of unvested option, portion of amount already expensed is reversed. In a situation where the vested option forfeited or expires unexercised, the related balance standing to the credit of the "Share Option outstanding account" are transferred to the "General Reserve". When the options are exercised, the Company issues new fully paid up equity shares of the Company. The proceeds received and the related balance standing to credit of the Share Option outstanding account, are credited to equity share capital (nominal value) and Securities Premium.

## 2.17 Segment Reporting:

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

## 2.18 Earnings per share:

### (i) Basic earnings per share

Basic earnings per share are calculated by dividing the net profit or loss before other comprehensive Income for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

### (ii) Diluted earnings per share:

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023



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

## 3A. Property, Plant and Equipment

### Tangible assets

Particulars	Gross Block			Accumulated Depreciation and Impairment				Net Carrying Value			
	As at April 01, 2022	Additions	Disposals/ Adjustment	As at March 31, 2023	As at April 01, 2022	Depreciation for the year	Impairment for the year	Disposals/ Adjustment	Reclassified to Held for Sale	As at March 31, 2023	As at March 31, 2022
Freehold Land	2,176	-	-	2,172	524	-	345	-	-	869	1,652
Buildings	574	-	99	42	97	3	-	34	52	14	477
Vehicles	124	35	43	116	63	13	-	15	-	61	61
Plant & Machinery	275	-	210	65	123	15	-	116	-	22	152
Computers	802	-	568	234	798	5	-	569	-	234	4
Furniture & Fittings	563	-	442	121	435	17	-	337	-	115	128
Office Equipment's	105	1	48	58	95	4	-	48	-	51	10
<b>TOTAL</b>	<b>4,619</b>	<b>36</b>	<b>1,410</b>	<b>2,808</b>	<b>2,135</b>	<b>57</b>	<b>345</b>	<b>1,119</b>	<b>52</b>	<b>1,366</b>	<b>2,484</b>

Particulars	Gross Block			Accumulated Depreciation and Impairment				Net Carrying Value			
	As at April 01, 2021	Additions	Disposals/ Adjustment	As at March 31, 2022	As at April 01, 2021	Depreciation for the year	Impairment for the year	Disposals/ Adjustment	Reclassified to Held for Sale	As at March 31, 2022	As at March 31, 2021
Freehold Land	2,176	-	-	2,176	-	-	524	-	-	524	2,176
Buildings	594	-	-	574	102	10	-	-	15	97	492
Vehicles	208	-	84	124	95	20	-	52	-	63	113
Plant & Machinery	310	-	35	275	112	20	-	9	-	123	198
Computers	804	-	2	802	787	13	-	2	-	798	18
Furniture & Fittings	563	-	-	563	405	30	-	-	-	435	158
Office Equipment's	104	1	-	105	90	5	-	-	-	95	14
<b>TOTAL</b>	<b>4,759</b>	<b>1</b>	<b>121</b>	<b>4,619</b>	<b>1,591</b>	<b>98</b>	<b>524</b>	<b>63</b>	<b>15</b>	<b>2,135</b>	<b>3,169</b>

### Notes:

- Refer Note 16 for detailed information on assets held for sale.
- No proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) [formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)] and Rules made thereunder.
- Refer Note 33 and 35 for information on accelerated depreciation and loss on write off of Property, Plant and Equipment recorded during the financial year.
- During the current year, management has undertaken a detailed assessment of the economic useful life of all the assets and accordingly revised the estimated useful life for certain assets. Accordingly, the depreciation expense on Property, Plant and Equipment includes a charge of ₹ 5 lakhs (March 31, 2022 - Nil) on account of such change in estimate.
- In addition to the Assets Held for Sale disclosed under Note 16, management has identified three more non-core immovable properties for monetisation purposes which are presently grouped under Property, Plant and Equipment. The Board of Directors has approved the sale of these three properties during the meeting held on May 19, 2023, amounting to ₹ 681 lakhs.

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

## 3B. Right-of-use Assets (ROU)

Particulars	Gross Block				Accumulated Depreciation				Net Carrying Value		
	As at April 01, 2022	Additions	Disposals/ Adjustment	Assets Reclassified to Held for Sale	As at March 31, 2023	As at April 01, 2022	Depreciation for the year	Disposals/ Adjustment	Assets Reclassified to Held for Sale	As at March 31, 2023	As at March 31, 2022
Leasehold Land	911	6	-	916	1	78	3	-	80	1	833
Buildings	-	55	-	-	55	-	5	-	-	5	-
Vehicles - Cars	7	-	-	-	7	1	2	-	-	3	6
<b>Total</b>	<b>918</b>	<b>61</b>	<b>-</b>	<b>916</b>	<b>63</b>	<b>79</b>	<b>10</b>	<b>-</b>	<b>80</b>	<b>9</b>	<b>839</b>

Particulars	Gross Block				Accumulated Depreciation				Net Carrying Value		
	As at April 01, 2021	Additions	Disposals/ Adjustment	Assets Reclassified to Held for Sale	As at March 31, 2022	As at April 01, 2021	Depreciation for the year	Disposals/ Adjustment	Assets Reclassified to Held for Sale	As at March 31, 2022	As at March 31, 2021
Leasehold Land	911	89	-	89	911	68	10	-	-	78	843
Buildings	68	-	68	-	-	29	-	29	-	-	39
Vehicles - Cars	-	7	-	-	7	-	1	-	-	1	-
<b>Total</b>	<b>979</b>	<b>96</b>	<b>68</b>	<b>89</b>	<b>918</b>	<b>97</b>	<b>11</b>	<b>29</b>	<b>-</b>	<b>79</b>	<b>882</b>

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

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
Depreciation expense of Right-of-use Assets	10	11
Interest expense on Lease Liabilities	3	-
<b>Total</b>	<b>13</b>	<b>11</b>

### Notes:

- The aggregate depreciation expenses on Right-of-use Assets (ROU) is included under depreciation and amortization expenses in the Statement of Profit and Loss. (Refer note - 33)
- The Company had total cash outflows for leases of ₹ 6 lakhs during the year ended 31 March 2023. The maturity analysis of lease liabilities are disclosed in note 20 of these financial statements.

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

## 4. Investment in Subsidiaries

	As at March 31, 2023		As at March 31, 2022	
	Numbers / Units	Amount	Numbers / Units	Amount
<b>Investments measured at Cost</b>				
<b>Equity Instrument (Unquoted)</b>				
Zen Cargo Movers Private Limited of ₹ 10/- each	3,62,163	36	3,62,163	36
Less: Impairment Allowance		(36)		(36)
<b>Total (A)</b>		-		-
Gati Import Export Trading Limited of ₹ 10/- each (Refer Note 48)	23,00,000	230	23,00,000	230
Less: Impairment Allowance	-	(182)	-	(177)
<b>Total (B)</b>		48		53
Gati Kintetsu Express Private Limited of ₹ 10/- each	3,50,000	55,255	3,50,000	55,255
Gati Logistics Parks Private Limited of ₹ 10/- each	10,000	1	10,000	1
Gati Projects Private Limited of ₹ 10/- each	10,000	1	10,000	1
<b>Total (C)</b>		55,257		55,257
<b>Total (A)+(B)+(C)</b>		55,305		55,310

Aggregate amount of Unquoted Investments and Impairment allowance of Investments are given as below:

Particulars	As at March 31, 2023	As at March 31, 2022
Aggregate carrying cost of Unquoted Investments (Net of Impairment allowance)	55,305	55,310
Aggregate Impairment Allowance	218	213

## 5. Other Non Current Financial Assets

Other Non Current Financial Assets	As at March 31, 2023	As at March 31, 2022
Security Deposit	4	-
<b>Total (A)</b>	4	-
<b>Investments in Equity Instruments:</b>		
Gati Kausar India Limited of ₹ 10/-each*	8	8
Less: Impairment Allowance	(8)	(8)
<b>Total (B)</b>	-	-
<b>Total (A)+(B)</b>	4	-

(\*) "Gati Kausar India Limited" ceased to be a subsidiary with effect from July 14, 2021. The group has retained 7,518 number of equity shares as investment amounting to ` 8 lakhs which was fully provided in earlier years.

## 6. Tax Assets, net

	As at March 31, 2023	As at March 31, 2022
Advance tax, net	589	652
<b>Total</b>	589	652

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

## 7. Other Non-Current Assets

	As at March 31, 2023	As at March 31, 2022
<b>Considered doubtful, unsecured</b>		
Capital Advances	114	115
Less: Allowances for Doubtful Advances	(114)	(114)
<b>Total (A)</b>	-	1
Balances with Statutory Authorities	126	134
Others	-	2
<b>Total (B)</b>	126	136
<b>Total (A)+(B)</b>	126	137

## 8. Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(At Lower of Cost and Net Realisable Value)</b>		
Stock in Trade *	244	279
<b>Total</b>	244	279

\* Consists of Petrol, Diesel &amp; Lubricants etc.,

**Note:** No inventories were pledged as security for liabilities during the year and previous year.

## 9. Current Investments

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Investment at Fair value through Profit &amp; Loss (Unquoted)</b>		
Kotak Overnight Fund - Growth: Nil (March 31, 2022 - 22337.285) Units	-	253
ICICI Prudential Overnight Fund - Growth: Nil (March 31, 2022 - 221120.158) Units	-	252
Tata Overnight Fund - Growth: Nil (March 31, 2022 - 22603.20) Units	-	253
Nippon India Overnight Fund - Growth: Nil (March 31, 2022 - 222632.61) Units	-	253
<b>Total</b>	-	1,011

Particulars	As at March 31, 2023	As at March 31, 2022
Aggregate Market Value of Unquoted Investments	-	1011
Aggregate carrying cost of Unquoted Investments	-	1004

## 10. Trade Receivables

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unsecured</b>		
Considered Good	562	1,082
Credit Impaired	1,286	1,137
<b>Total</b>	1,848	2,219
Less: Allowance for Expected Credit Loss (Refer Note 40C(i))	(1,407)	(1,349)
<b>Total</b>	441	870

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

## Trade Receivable Ageing Schedule as at March 31, 2023

Particulars	Outstanding for following periods from the due date of payment						Total
	Not due	Less than 6 months	6 months - 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
i) Undisputed Trade Receivable - Considered good	1	444	-	77	40	-	562
ii) Undisputed Trade Receivable - Credit impaired	-	-	-	-	-	105	105
iii) Disputed Trade Receivable - Considered good	-	-	-	-	-	-	-
iv) Disputed Trade Receivable - Credit impaired	-	-	-	-	16	1,165	1,181
<b>Gross Trade Receivables</b>	<b>1</b>	<b>444</b>	<b>-</b>	<b>77</b>	<b>56</b>	<b>1,270</b>	<b>1,848</b>
Less: Allowances for Expected Credit Loss							(1,407)
<b>Balance as at March 31, 2023</b>							<b>441</b>

## Trade Receivable Ageing Schedule as at March 31, 2022

Particulars	Outstanding for following periods from the due date of payment						Total
	Not due	Less than 6 months	6 months - 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
i) Undisputed Trade Receivable - Considered good	109	522	126	94	47	-	898
ii) Undisputed Trade Receivable - Credit impaired	-	-	-	-	-	52	52
iii) Disputed Trade Receivable - Considered good	-	-	-	-	16	168	184
iv) Disputed Trade Receivable - Credit impaired	-	-	-	11	87	987	1,085
<b>Gross Trade Receivables</b>	<b>109</b>	<b>522</b>	<b>126</b>	<b>105</b>	<b>150</b>	<b>1,207</b>	<b>2,219</b>
Less: Allowances for Expected Credit Loss							(1,349)
<b>Balance as at March 31, 2022</b>							<b>870</b>

### Notes:

- No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.
- Trade receivables are non interest bearing and are generally on terms of 30 to 90 days.

## 11. Cash and Cash Equivalents

	As at March 31, 2023	As at March 31, 2022
Balance with Banks:		
- In Current accounts	248	531
Cash on hand	11	16
<b>Total</b>	<b>259</b>	<b>547</b>

## 12. Other Bank Balances

Particulars	As at March 31, 2023	As at March 31, 2022
Term deposits with banks (original maturities more than 3 months but less than 12 months) #	7,582	113
Unpaid Dividend account	55	64
<b>Total</b>	<b>7,637</b>	<b>177</b>

# Term deposits of ₹ 2,200 lakhs held by the Company for the Air India Limited litigation matter are restricted and not available for general use in the Company's funds

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

## 13. Loans

	As at March 31, 2023	As at March 31, 2022
<b>Considered good, unsecured</b>		
Loans receivable from subsidiary (Refer Note 48)	2,254	3
<b>Total (A)</b>	<b>2,254</b>	<b>3</b>
<b>Considered doubtful, unsecured</b>		
Loan receivable with credit Impaired	164	164
Less: Allowance for Doubtful Loans	(164)	(164)
Loan to Subsidiary (Refer Note 48)	1,443	1,443
Less: Allowance for Doubtful Loans	(1443)	(1443)
<b>Total (B)</b>	<b>-</b>	<b>-</b>
<b>Total (A)+(B)</b>	<b>2,254</b>	<b>3</b>

Refer Note 44 for related party information

## 14. Other Current Financial Assets

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Considered good, unsecured</b>		
Accrued Interest on Deposits, Loans & investments, etc.	184	7
Other Receivables	1,581	322
Other Advances receivable	7	16
<b>Total (A)</b>	<b>1772</b>	<b>345</b>
<b>Considered doubtful, unsecured</b>		
Other Receivables	68	62
Less: Allowance for Doubtful receivables	(68)	(62)
Other Advances receivable	2,259	2,259
Less: Allowance for Doubtful receivables	(2,259)	(2,259)
<b>Total (B)</b>	<b>-</b>	<b>-</b>
<b>Total (A)+(B)</b>	<b>1,772</b>	<b>345</b>

## 15. Other Current Assets

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Considered good, unsecured</b>		
Advance Against supply of Goods and Services	175	222
<b>Considered doubtful, unsecured</b>		
Advance Against supply of Goods and Services	21	18
Less: Provision for doubtful operational advance	(21)	(18)
Balances with Statutory Authorities	262	156
Less: Allowance for doubtful receivables	(50)	(49)
<b>Total (A)</b>	<b>387</b>	<b>329</b>
Prepaid Expenses	4	6
Others	5	5
<b>Total (B)</b>	<b>9</b>	<b>11</b>
<b>Total (A)+(B)</b>	<b>396</b>	<b>340</b>

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

## 16. Assets Held for Sale

Particulars	As at March 31, 2023	As at March 31, 2022
<b>A) Property, Plant and Equipment</b>		
Land & Building	2,418	4,700
Plant & Machinery	-	59
Furniture & Fixtures	-	327
Office Equipment	-	47
<b>Total</b>	<b>2,418</b>	<b>5,133</b>

**Note** - In addition to the above mentioned Assets Held for Sale, management has identified three more non-core immovable properties for monetisation purposes which are presently grouped under Property, Plant and Equipment. The Board of Directors has approved the sale of these three properties during the meeting held on May 19, 2023, amounting to ₹ 681 lakhs.

### B) Investments

	As at March 31, 2023		As at March 31, 2022	
	Number / Units	Amount	Number / Units	Amount
<b>Investment in an Associate</b>				
Gati Ship Limited of ₹ 10/- each	48,00,000	8,623	48,00,000	8,623
Less: Impairment Allowance		(8,623)		(8,623)
<b>Total</b>		-		-

#### Notes:

- The Board has taken necessary steps and negotiation is ongoing with the prospective buyers for disposal of the above Property Plant & Equipment and investments and transaction is expected to be concluded in next one year.
- The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company, except for the following:

Description of item of Property	Gross Carrying Value	Title deeds held in the name of	Whether title deed holder is a Promoter, director or relative of Promoter/director or employee of promoter	Property held Since which year	Reason for not being held in the name of Company
Freehold building (Chennai Mylapore)	352	Transport Corporation of India Limited	No	2000	The asset was transferred to the Company pursuant to the business transfer arrangement with Transport Corporation of India Limited and the same is in the process of sale
Freehold building (Sholapur)	0.01	Transport Corporation of India Limited	No	2000	The asset was transferred to the Company pursuant to the business transfer arrangement with Transport Corporation of India Limited and the same is in the process of sale

\* Rounded off to nearest lakhs.

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

## 17. Equity Share Capital

	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
<b>Authorized share capital</b>				
Equity Shares of ₹ 2/- each	17,50,00,000	3,500	17,50,00,000	3,500
		<b>3,500</b>		<b>3,500</b>
<b>Issued equity capital</b>				
Equity Shares of ₹ 2/- each fully paid up	13,01,30,117	2,603	12,29,68,997	2,459
		<b>2,603</b>		<b>2,459</b>
<b>Subscribed and fully paid-up:</b>				
Equity Shares of ₹ 2/- each fully paid up	13,01,30,117	2,603	12,29,68,997	2,459
		<b>2,603</b>		<b>2,459</b>

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Shares at the beginning of the year	12,29,68,997	2,459	12,19,45,977	2,439
Add: Share issued on allotment during the year (Refer Note 18(h))	71,61,120	144	10,23,020	20
<b>Shares at the end of the year</b>	<b>13,01,30,117</b>	<b>2,603</b>	<b>12,29,68,997</b>	<b>2,459</b>

### b) Terms /Rights attached to Shareholder

The Company has only one class of issued shares i.e. Equity Shares having par value of ₹ 2/- per share. Each holder of Equity Shares is entitled to one vote per share and ranks pari passu. The dividend proposed by the Board of Director is subject to the approval of shareholder in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

### c) Details of shareholders holding more than 5% of the aggregate shares in the Company:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Allcargo Logistics Limited	6,53,30,095	50.20%	5,81,68,975	47.30%
Mr. Mukul Mahavir Agrawal	70,00,000	5.38%	63,01,596	5.12%
<b>Total</b>	<b>7,23,30,095</b>	<b>55.58%</b>	<b>6,44,70,571</b>	<b>52.43%</b>

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

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

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

## f) Details of shares held by promoters

Sl. No.	Name of the Promoter	As at March 31, 2023		As at March 31, 2022		% Change during the Year
		Number of Shares	% of Shareholding	Number of Shares	% of Shareholding	
1.	Allcargo Logistics Limited (effective from April 08, 2020)	6,53,30,095	50.20	5,81,68,975	47.30	12%
2.	Neera And Children Trust	23,15,889	1.78	23,15,889	1.88	-
3.	Mahendra Kumar Agarwal	6,98,503	0.54	15,45,735	1.26	-55%
4.	TCI Finance Limited	4,88,347	0.38	5,79,998	0.47	-16%
5.	Mahendra Kumar Agarwal & Sons HUF	68,000	0.05	5,46,083	0.44	-88%
6.	Mahendra Investment Advisors Private Limited	1,51,577	0.12	1,51,577	0.12	-
7.	Jubilee Commercial & Trading Private Limited	20,000	0.02	1,49,823	0.12	-87%
8.	Dhruv Agarwal Benefit Trust	8,750	0.01	8,750	0.01	-
9.	Manish Agarwal Benefit Trust	24,728	0.02	24,728	0.02	-
10.	Bunny Investments & Finance Private Limited	-	0.00	40,000	0.03	-100%
	<b>Total</b>	<b>6,91,05,889</b>	<b>53.12</b>	<b>6,35,31,558</b>	<b>51.65</b>	

Note : During the year, the following Promoter and Promoter Group members have applied for reclassification from "Promoter and Promoter Group" category to "Public" category under Regulation 31A of SEBI LODR Regulations, 2015:-

- 1) Mahendra Kumar Agarwal
- 2) Mahendra Kumar Agarwal & Sons HUF
- 3) TCI Finance Limited
- 4) Mahendra Investment Advisors Private Limited
- 5) Jubilee Commercial & Trading Private Limited
- 6) Bunny Investments And Finance Private Limited

## 18. Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022
a) Securities Premium	41,924	35,067
b) General Reserve	8,785	8,785
c) Capital Reserve	2,084	2,084
d) Tonnage Tax Reserve (Utilised)	929	929
e) Special Reserve	22,336	22,336
f) Retained Earning	(10,807)	(10,248)
g) Money Received Against share warrants	-	1750
h) Share based payment reserve (ESARs - Equity)	1649	56
<b>Total</b>	<b>66,900</b>	<b>60,759</b>

### A The description, nature and purpose of each reserve under other equity are as follows:-

- a) **Securities Premium:** Securities premium represents the premium on issue of equity shares. The same can be utilised in accordance with the provisions of the Companies Act, 2013.
- b) **General Reserve:** General reserve is the retained earnings of the Company, which are kept aside out of the Company's profit to meet future obligations, if any.
- c) **Capital Reserve:** Capital Reserve includes amount received on allotment of convertible warrants was forfeited and transferred to Capital Reserve Account.
- d) **Tonnage Tax Reserve (Utilised):** This reserve is a statutory reserve which is created and company had utilized in accordance with the provisions of Section 115VT of Income tax Act 1961.

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

- e) **Share based payment Reserve:** The share based payment reserve is used to record the value of equity-settled share based payment transactions with employees. The amount recorded in this reserve is transferred to securities premium upon exercise of stock appreciation rights by employees. The amount outstanding in the "Share based payment reserve" will be transferred to "General Reserve", when the options are lapsed / cancelled.
- f) **Special Reserve:** The Hon'ble Andhra Pradesh High Court, approved the Scheme of Arrangement for amalgamation. ("The Scheme") vide its Order dated March 19, 2013 which 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 ₹ 55,554 Lakhs to be utilized by the Company to adjust therefrom any capital losses arising from transfer of assets and certain other losses, any balance remaining in the Special Reserve shall be available for adjustment against any future permanent diminution in the value of assets and exceptional items etc. as specified in the Scheme as the Board of directors may deem fit.
- g) **Retained Earnings:** Retained earnings comprise of net accumulated profit/(loss) of the Company, after declaration of dividend.
- h) **Money received against Share Warrants**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening Balance	1,750	-
Add - Received during the year	5,250	1,750
Less - Converted during the year	(7,000)	-
<b>Closing Balance</b>	<b>-</b>	<b>1,750</b>

During the current year, the Board of Directors of the Company have approved the allotment of 71,61,120 (Seventy One Lacs Sixty One Thousand One Hundred and Twenty) Equity Shares of a face value of ₹ 2/- (Rupees Two Only) fully paid up, to Allcargo Logistics Limited, Promoter of the Company, pursuant to the exercise of options attached to the Warrants allotted on June 17, 2021 and upon the receipt of balance 75% of the subscription money. Consequent to above allotment, the paid-up equity shares capital of the Company has increased from ₹ 24,59,37,994/- (Rupees Twenty Four Crores Fifty Nine Lacs Thirty Seven Thousand Nine Hundred and Ninety Four Only) divided into 12,29,68,997 (Twelve Crores Twenty Nine Lacs Sixty Eight Thousand Nine hundred and Ninety Seven) Equity Shares of face value of ₹ 2/- (Rupees Two Only) each to ₹ 26,02,60,234/- (Rupees Twenty Six Crores Two Lacs Sixty Thousand Two hundred and Thirty Four Only) divided into 13,01,30,117 (Thirteen Crores One Lac Thirty Thousand One Hundred and Seventeen) Equity Shares of face value of ₹ 2/- (Rupees Two Only) each.

## 19. Non Current Borrowings

	As at March 31, 2023		As at March 31, 2022	
	Non- Current	Current Maturities	Non- Current	Current Maturities
<b>Unsecured</b>				
Fixed Deposits from Public	-	99	105	299
<b>Total</b>	<b>-</b>	<b>99</b>	<b>105</b>	<b>299</b>

## 20. Lease Liabilities

	As at March 31, 2023		As at March 31, 2022	
	Non- Current	Current Maturities	Non- Current	Current Maturities
<b>Secured</b>				
Lease Obligation	44	10	5	2
<b>Total</b>	<b>44</b>	<b>10</b>	<b>5</b>	<b>2</b>

### Notes:

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

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

## (b) Movement in lease liabilities during the year ended March 31, 2023

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Lease liabilities at the beginning of the year</b>	7	47
Recognition of right-of-use liability during the year	50	7
Interest cost accrued during the year	3	0
Payment of lease liabilities including interest	(6)	(1)
Derecognition of right-of-use liability during the year	-	(46)
<b>Lease liabilities at the end of the year</b>	<b>54</b>	<b>7</b>

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Total cash outflow for leases	6	1

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

Particulars	As at March 31, 2023	As at March 31, 2022
Not later than one year	14	2
Later than one year but not later than five years		
1-2 years	15	2
2-3 years	14	3
3-4 years	14	1
4-5 years	7	-
Later than five years	-	-
<b>Total</b>	<b>64</b>	<b>8</b>

(e) Lease payments for less than 1 year lease contracts as well as for low value items for the year ended March 31, 2023 is ₹ 1 Lakh (March 31, 2022 - ₹ 17 Lakhs) (Refer Note 34).

## 21 Other Non Current Financial Liabilities

	As at March 31, 2023	As at March 31, 2022
Interest Accrued but not due on borrowings	-	12
<b>Total</b>	<b>-</b>	<b>12</b>

## 22. Provisions

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non- Current	Current	Non- Current	Current
Employee Benefits				
Gratuity (Refer Note 38)	39	3	29	-
Compensated Absences (Refer Note 38)	9	5	6	5
<b>Total</b>	<b>48</b>	<b>8</b>	<b>35</b>	<b>5</b>

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

## 23. Current Borrowings

	As at March 31, 2023	As at March 31, 2022
<b>Unsecured</b>		-
Current Maturities of Fixed deposits from Public (Refer Note 19)	99	299
<b>Total</b>	<b>99</b>	<b>299</b>

**Note:**

Reconciliation of liabilities arising from financing activities

Particulars	Year ended March 31, 2023
	Public Deposits
<b>Balance as at March 31, 2022</b>	404
Repayment of Fixed deposits from Public repaid during the year	(306)
<b>Balance as at March 31, 2023</b>	<b>99</b>

Particulars	Year ended March 31, 2022	
	Public Deposits*	Long Term Borrowings *
<b>Balance as at March 31, 2021</b>	663	1,344
Repayment of Fixed deposits from Public repaid during the year	(259)	-
Borrowings repaid during the year	-	(1,344)
<b>Balance as at March 31, 2022</b>	<b>404</b>	<b>-</b>

(\*) Includes current maturities

## 24. Trade Payables

Particulars	As at March 31, 2023	As at March 31, 2022
For Goods and Services		
Total Outstanding dues of micro and small enterprises (Refer Note No 39)	-	-
Total Outstanding dues of creditors other than micro and small enterprises	94	257
<b>Total</b>	<b>94</b>	<b>257</b>

### Trade payables ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from the due date of payment				
	Less than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	Total
i) Undisputed dues - MSME	-	-	-	-	-
ii) Undisputed dues - Others	-	32	23	39	94
	-	<b>32</b>	<b>23</b>	<b>39</b>	<b>94</b>

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

## Trade payables ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from the due date of payment				Total
	Less than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
i) Undisputed dues - MSME	-	-	-	-	-
ii) Undisputed dues - Others	76	28	118	35	257
	<b>76</b>	<b>28</b>	<b>118</b>	<b>35</b>	<b>257</b>

## 25. Other Current Financial Liabilities

	As at March 31, 2023	As at March 31, 2022
Security Deposits	118	399
Unpaid Dividends	55	64
Employee Related Liabilities	52	73
Unpaid matured deposits and interest accrued thereon *	71	87
Liability towards guarantee invoked #	2,360	2,360
Others	249	345
<b>Total</b>	<b>2,905</b>	<b>3,328</b>

# The Company had made a provision of ₹ 2,360 lakhs to account for the potential liability arising from the corporate guarantee provided to Gati Infrastructure Private Limited (GIPL) in relation to the consortium loan from IDFC Bank.

\* The Company is currently in the process of making payment to the IEPF (Investor Education and Protection Fund account for the outstanding public deposit funds and the corresponding accrued interest amounting to ₹ 14.16 lakhs. This action is being undertaken in compliance with regulatory requirements to ensure the rightful return of these funds to the depositors.

## 26. Other Current Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Liabilities	24	37
Others	206	824
<b>Total</b>	<b>230</b>	<b>861</b>

## 27. Revenue from Operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Sale of Services</b>		
Freight, E-Commerce and Miscellaneous services	82	1,987
<b>Sale of Products</b>		
Sale of Diesel, Petrol and Lubricants	25,444	22,784
<b>Total (A)</b>	<b>25,526</b>	<b>24,771</b>
<b>Other Operating Revenue</b>		
Management Fee from Subsidiaries	168	156
Others	4	28
<b>Total (B)</b>	<b>172</b>	<b>184</b>
<b>Total (A)+(B)</b>	<b>25,698</b>	<b>24,955</b>

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

## A. Revenue from contracts with customers disaggregated based on revenue stream and by reportable segment.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Revenue based on product &amp; services</b>		
a) Express Distribution	86	1,971
b) Fuel Stations	25,444	22,828
c) Others	168	156
<b>Total</b>	<b>25,698</b>	<b>24,955</b>
<b>Revenue based on Geography</b>		
India	25,698	24,955
Overseas	-	-
<b>Total</b>	<b>25,698</b>	<b>24,955</b>
<b>Reconciliation of Revenue from Operation with contract price</b>		
Revenue as per contract price	25,554	24,862
<b>Less:</b>		
Credit Notes	-	(71)
Unsatisfied Performance Obligation	(28)	(20)
<b>Revenue from Operations</b>	<b>25,526</b>	<b>24,771</b>

### Transaction Price - Unsatisfied Performance Obligation

The Company's unsatisfied performance obligations mainly arises on account of undelivered shipments. The aggregate value of transaction price allocated to the unsatisfied performance obligations as at March 31, 2023 is ₹ 28 Lakhs, which is expected to be recognised during next year after delivery of shipments.

## B. Contract Balances

Particulars	As at March 31, 2023	As at March 31, 2022
Contract Assets	-	-
Trade Receivables	1,848	2,219
Less: Impairment Allowances	(1,407)	(1,349)
<b>Total</b>	<b>441</b>	<b>870</b>

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognised as revenue as and when the performance obligation is satisfied.

## 28. Other Income

	Year ended March 31, 2023	Year ended March 31, 2022
Interest Income		
On Deposit with Bank	216	16
On Inter Corporate Deposits	96	-
On Refund of Income Tax	9	-
On Unwinding of Interest Income	-	33
Rental Income	163	547
Gain on Sale of Investments, net	-	1
Liabilities no longer required written back	208	171
Gain on Sale of Mutual Funds, net	8	13
Gain on Investments measured at FVTPL, net	-	6
Miscellaneous Income, net	8	18
<b>Total</b>	<b>708</b>	<b>805</b>

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

## 29. Operating Expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Freight	59	1,504
Other Operating Expenses	140	179
<b>Total</b>	<b>199</b>	<b>1,683</b>

## 30. Changes in Inventories of Stock-in-Trade

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Opening Stock:</b>		
Stock-in-trade	279	330
	<b>279</b>	<b>330</b>
<b>Closing Stock</b>		
Stock-in-trade	(244)	(279)
	<b>(244)</b>	<b>(279)</b>
(Increase) / Decrease in Inventories of Stock-in-trade	<b>36</b>	<b>51</b>

## 31. Employee Benefits Expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, Wages & Bonus	200	393
Contribution to Provident and other Funds	17	4
Staff Welfare Expenses	9	10
Share Based Payment Expenses	88	3
<b>Total</b>	<b>314</b>	<b>410</b>

## 32. Finance Costs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest Expenses		
On Term Loans and Working Capital facilities	-	70
On Public Deposits	30	54
On Lease Liabilities	3	0
Others	1	15
<b>Total</b>	<b>34</b>	<b>139</b>

**Note :** Wherever amounts are "0", the value is less than rupees fifty thousand.

## 33. Depreciation and Amortization Expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on Property, Plant and Equipment (Refer Note: 3A)	57	98
Depreciation on Right of use Asset (Refer Note: 3B)	10	11
<b>Total</b>	<b>67</b>	<b>109</b>

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

## 34. Other Expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Rent	1	17
Rates and Taxes	19	143
Repairs and Maintenance	32	27
Insurance	20	21
Telephone Expenses	1	2
Printing and Stationery	3	3
Travelling Expenses	2	4
Electricity	17	10
Professional and Legal expenses	285	296
Bank Collection Charges	-	7
Corporate Social Responsibility Expenditure (Refer Note 34.2)	-	-
Directors Sitting Fees *	5	8
Remuneration to Auditors (Refer Note 34.1)	25	18
Allowance for Expected Credit Loss	148	201
Bad debts and Irrevocable Balances Written off	113	69
Less: Provision for loss allowances recognised in earlier years	(90)	(26)
Management Fee	60	159
Allowance for Capital advances and others	-	16
Foreign Exchange Loss, net	2	-
Loss on Disposal of Property, Plant and Equipment, net	4	44
Loss on Disposal of Non-core Assets, net	-	78
Miscellaneous Expenses, net	81	134
<b>Total</b>	<b>728</b>	<b>1,231</b>

\* Refer Note 44 for Related party information

### 34.1 Auditors' Remuneration

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Statutory Audit fees	15	8
Limited review of quarterly results	8	5
Certification fees and other services	1	5
Reimbursement of out of Pocket Expenses	1	-
<b>Total</b>	<b>25</b>	<b>18</b>

### 34.2 Corporate Social Responsibility Expenditure

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

- During the year, the Company has incurred ₹ Nil (March 31, 2022 ₹ Nil lakhs) on account of Corporate Social Responsibility (CSR) included under Other Expenses.
- Gross Amount required to be spent by the Company during the year is ₹ Nil.
- Amount approved by the board to be spent during the year is ₹ Nil.

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

## 35. Exceptional Items

	Year ended March 31, 2023	Year ended March 31, 2022
Loss on write off of Property, Plant & Equipment (Net)	(258)	-
Impairment Charged on Property, Plant & Equipment	(345)	(524)
Net Gain on disposal of Non-core Assets	479	-
Impairment Charged in the realisable value of Non-core Assets	(674)	(214)
Provision on loan to a Subsidiary "GLPL"	-	(201)
Provision on investment in Subsidiary "GIETL"	(5)	(57)
Severance fees payment on disposal of investment in GKIL	-	(1,305)
Gain on disposal of investment in GKIL	-	5
<b>Total</b>	<b>(803)</b>	<b>(2,296)</b>

The Exceptional items (non-recurring) represents:

- A loss on write off of ₹ 258 lakhs in Property, Plant and Equipment is on account of discardment of Property, Plant and Equipment which have outlived their useful life and those which are no longer required for business operations.
- Impairment allowance of ₹ 345 lakhs (March 31, 2022 - ₹ 524 lakhs) has been provided in books on account of diminution in the fair value of Property, plant & Equipment.
- Fair value of the assets sold during the year and proposed to be sold which is disclosed as "Assets held for Sale" results in loss of ₹ 195 lakhs (March 31, 2022 - ₹ 214 lakhs).
- The Company had given interest free loan to a wholly owned subsidiary "Gati Logistics Parks Limited (GLPL)" amounting to ₹ 2,001 Lakhs towards financing a project in an earlier year, where the operation is yet to commence. The Company had made provision to the extent of ₹ 1,443 lakhs in the previous financial years, out of this ₹201 lakhs is provided in the year ended March 31, 2022.
- Gati Import Export Trading Limited (GIETL), a wholly owned subsidiary of the Company, has discontinued its operations in FY 2021. Company's investment in GIETL has been provided to extent of ₹ 182 lakhs as on March 31, 2023, out of this ₹ 57 lakhs was provided in financial year 2021-22 and further ₹ 5 lakhs is provided in the current financial year.
- Disposal of Subsidiary i.e. Gati Kausar India Limited ("GKIL"), by way of entering into Share Purchase Agreement ("SPA") among the Contracting Parties i.e. (i) Company as a Promoter, (ii) Mandala Capital AG Limited as an Investor, and (iii) GKIL as a Company. Pursuant to the aforesaid SPA, the Company has transferred its 69.79% equity holding in GKIL to Mandala Capital AG Limited for the sale consideration of ₹ 5 lakhs on July 14, 2021. With this aforementioned transfer, GKIL has ceased to be the Company's Subsidiary with effect from July 14, 2021. As a part of transaction one-time severance fees of ₹ 1,305 lakhs was also paid from Gati limited to GKIL as per the terms of share purchase agreement.

## 36. Tax Expenses

	Year ended March 31, 2023	Year ended March 31, 2022
Profit Before Tax	(519)	(2,321)
<b>Income Tax recognised in Statement of Profit and Loss</b>		
Current Tax	40	16
Deferred Tax	-	-
Taxes related to earlier years	(16)	(323)
<b>Total</b>	<b>24</b>	<b>(307)</b>
<b>Income Tax recognised in Other Comprehensive Income</b>		
Deferred tax expenses on Re-Measurement gains/(losses) on defined benefit plans	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>	<b>24</b>	<b>(307)</b>

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

## 36.1 Reconciliation of Income Tax expense for the year with book profits

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit/(Loss) before Tax (After Exceptional Items)	(519)	(2,321)
Applicable Tax Rate	27.82%	27.82%
Tax Expense	(144)	(646)
<b>Tax Effect of :</b>		
Non-deductible expenses for tax purpose	-	10
Non recognition of Deferred Tax Asset	194	365
Other differences (Including effect of non recognition of Deferred Tax Asset)	(26)	(36)
<b>Total tax expense as per Statement of Profit and Loss</b>	<b>24</b>	<b>(307)</b>
Effective Tax Rate	(4.56%)	13.23%

36.2 Under the new section of Income tax Act 115BAA of the Income Tax Act, 1961 as introduced by the Taxation laws (Amendment) Ordinance, 2019 the Company has an Option to avail of the reduced tax rate. The Company has significant MAT credit pertaining to previous years as of date. Hence the Company will consider the matter after availing the MAT credit in future.

## 36.3 Deferred Tax Assets, net

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Deferred Tax Asset</b>		
Allowance for Doubtful Receivables & Loans	37	422
<b>Deferred Tax Liability</b>		
Property, Plant and Equipment	-	(420)
Others	(37)	(2)
<b>Total</b>	<b>-</b>	<b>-</b>

The Company has not recognised deferred tax asset on unabsorbed depreciation and carry forward business losses. The reason for non recognition of deferred tax asset is due to carry forward losses and possible future capital gain on investments not being available for set off.

## 37. Contingent liabilities and commitments

(i) Contingent Liabilities (to the extent not provided for)	As at March 31, 2023	As at March 31, 2022
<b>(a) Claim against the Company not acknowledged as debt</b>		
(i) Income tax Demand disputed in appeals and others (Includes amount paid under protest ₹ 321 Lakhs , previous year ₹ 321 Lakhs)	599	599
(ii) Indirect Tax demand disputed in appeals (Includes amount paid under protest ₹ 43 Lakhs, previous year ₹ 11 Lakhs)	4,445	4,445
(iii) Others #	223	182
<b>Total</b>	<b>5,267</b>	<b>5,226</b>

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an on-going basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable. The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows. It is not practicable for the Company to estimate the timings of the cash outflows, if any, pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the same.

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

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

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

## # Other Claims

The Company is involved in legal proceedings, both as plaintiff and as defendant. There are claims which the Company does not believe to be of a material nature, other than those described below:

### A) IDFC Matter

IDFC Bank Limited. Vs. Gati Limited. (OA 6 of 2017), DRT, Delhi: Gati Limited. provided a corporate guarantee of ₹ 2,360 lakhs for a consortium loan taken by Gati Infrastructure Pvt. Limited. (GIPL) from IDFC Bank. As a result, IDFC Bank filed a recovery case with the Debt Recovery Tribunal (DRT) in Delhi

Initially, the DRT issued an interim order restraining Gati Limited. from disposing of its properties. However, this order was subsequently set aside by the Debt Recovery Appellate Tribunal (DRAT) on April 11, 2022.

In compliance with the DRT's order, Gati Limited. has submitted details of five properties with an approximate value of ₹ 3,100 lakhs as security against the suit value. Gati Limited. has also filed an application with the DRT, Delhi, seeking the replacement of this security with a Bank Guarantee. However, the application is still pending listing and hearing before the DRT.

### B) AIR India Matter

A wet lease freighter agreement ("WLA") dated May 16, 2007 was entered into between GATI Ltd. ("GATI") and Indian Airlines Ltd. ("Air India") for lease of 5 (five) freighter Boeing 737-200 aircrafts for five years w.e.f. July 15, 2007 till July 14, 2012. Air India could not perform its obligation under WLA and as a result GATI has stopped payments to Air India, terminated the WLA vide letter dated March 17, 2009 and invoked Arbitration vide letter March 19, 2009."

The Arbitration Tribunal ("AT") passed the award dated September 17, 2013 and directed Air India to pay a net sum of ₹ 2,682 Lakhs towards claims, damages, interest and costs etc. Air India filed an appeal before the Single Bench of Hon'ble Delhi High court ('DHC') challenging the award of the Arbitrator in the year 2015.

DHC disposed of the appeal vide order dated July 7, 2015, upholding the award of the AT in all other aspects except the claim for damages of ₹ 497 Lakhs and asked Air India to deposit ₹ 2,200 Lakhs which was deposited on April 27, 2015 against which an immovable property was given as collateral by the Company. Based on the application made by the Company for release of the collateral, the Hon'ble High Court of Delhi, vide the order dated April 18, 2022, released the said immovable property in lieu of a Bank Guarantee of an equivalent amount (with 100% margin) as security.

Air India filed appeal before the Division Bench of the DHC challenging the award. GATI also filed appeal before Division Bench of DHC in respect of ₹ 497 Lakhs which was an ongoing dispute so far. During the continuance of dispute, Company has signed an out of court settlement with AIR India on May 18, 2023, pertaining to this ongoing legal matter before the Hon'ble Delhi High Court.

Further, Company is in process of filing a petition before the court seeking the withdrawal of the aforementioned case, and consequent release of the Bank guarantee amounting to ₹ 2,200 lakhs, which is equivalent to the arbitral award under dispute.

### C) Neera Children Trust ('NCT') Vs. Gati Limited. & 29 Ors. (NCLT 535 of 2019), NCLT Hyderabad

Neera Children Trust (NCT) has filed a case alleging oppression and mismanagement against Gati Limited. and its Promoters & Directors. During the proceedings, various Interim Applications (IA) were filed by different parties, addressing matters of maintainability, waiver, legality of postal ballot, shifting of the registered office, and addition of other respondents.

Gati Limited. has responded to the interim reliefs sought by NCT, and their counter has been taken on record. Gati Limited. filed an Interim Application (IA) requesting the shift of the registered office from Telangana to Maharashtra, which was granted by the National Company Law Tribunal (NCLT) through an order dated April 25, 2023.

As per the said order, Gati Limited. has been directed to file an application (Form INC 23) and provide the necessary information to the Regional Director (RD). The RD has been instructed to make an unbiased decision within 15 days of receiving the application. The main petition is scheduled for a hearing on July 25, 2023.

The final resolution and potential impact of this litigation case on Gati Limited.'s financial position are subject to the outcome of the proceedings in the National Company Law Tribunal (NCLT) in Hyderabad. The NCLT's decision will determine the implications for Gati Limited.'s financial standing. It is important to note that until the NCLT reaches a verdict, the ultimate impact on Gati Limited.'s

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

financial position cannot be determined with certainty. The Company will continue to monitor the proceedings and assess any potential financial implications accordingly.

- (b) There has been a Supreme Court (SC) judgement dated February 28, 2019, relating to components of salary structure that needs to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. From the previous year ended March 31, 2022, Company is in compliance with same. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, was not ascertainable and consequently no effect was given in the accounts.
- (c) The Code on Social Security 2020 (Code) related to employee benefits during employment and post-employment received Presidential assent in September'2020. The Code has been published in the Gazette of India; however, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. However, the Company envisages that the impact of the above would not be material

## 38. Disclosure as required under Ind AS 19 on Employee Benefits:

Defined Benefit Obligation	As at March 31, 2023	As at March 31, 2022
<b>Statement of Assets and Liabilities for defined benefit obligation</b>		
Present value of funded obligations	(48)	(35)
Fair value of plan assets	6	6
<b>Net defined benefit liability recognised</b>	<b>(42)</b>	<b>(29)</b>

### Defined benefits - Gratuity

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

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

The Company expects ₹ 8.3 lakhs to contribute to Gratuity Fund in the next year.

### Defined benefits - Compensated absences

The Company provides for accumulation of leaves by certain categories of its employees. These employees can carry forward a portion of the unutilised leaves and utilise them in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a liability for such leaves in the period in which the employee renders the services that increases this entitlement. The total liability recorded by the Company towards this obligation is ₹ 14 lacs and ₹ 11 lacs as at March 31, 2023 and March 31, 2022, respectively.

### Inherent risk

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

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

Reconciliation of the net defined benefit (asset) / liability:	Year ended March 31, 2023	Year ended March 31, 2022
<b>(I) Reconciliation of present value of defined benefit obligation</b>		
(a) Balance at the beginning of the year	35	38
(b) Current service cost	2	3
(c) Interest on defined obligations	2	2
(d) Benefits paid	(6)	(13)
(e) Actuarial (gains)/ losses recognised in other comprehensive income	-	-
change in demographic assumptions	2	-
change in financial assumptions	(2)	1
experience adjustments	15	4
<b>Balance at the end of the year</b>	<b>48</b>	<b>35</b>
<b>(II) Reconciliation of present value of plan assets</b>		
(a) Balance at the beginning of the year	6	132
(b) Investment Income	-	7
(c) Actual return on plan assets	-	(3)
(d) Contributions by the employer	6	6
(e) Benefits paid	(6)	(13)
(f) Fund Transfer adjustment	-	(124)
<b>Balance at the end of the year</b>	<b>6</b>	<b>6</b>
<b>(III) Gratuity cost recognised in Statement of Profit or Loss</b>		
(a) Current service cost	2	3
(b) Interest on defined obligations	2	2
(c) Interest income on plan assets	-	(7)
<b>Gratuity cost recognised in Statement of Profit or Loss</b>	<b>4</b>	<b>(2)</b>
<b>(IV) Remeasurements recognised in Other Comprehensive Income</b>		
(a) Actuarial (gain) / loss on defined benefit obligation	15	4
(b) Return on plan asset excluding interest income	-	3
<b>Amount recognised in Other Comprehensive Income</b>	<b>15</b>	<b>7</b>
<b>(V) Net Asset/ (Liability) recognised in the Balance Sheet</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
(a) Present value of defined benefit obligation	(48)	(35)
(b) Fair value of plan assets	6	6
<b>Net defined benefit obligations in the Balance Sheet</b>	<b>(42)</b>	<b>(29)</b>
<b>(VI) Plan assets (As at March 31)</b>		
Plan assets comprise of the following:		
Investments with LIC	100%	100%
<b>(VII) Actuarial assumptions (As at March 31)</b>		
Principal actuarial assumptions at the reporting date (expressed as weighted averages)		
(a) Discount rate	7.31%	5.66%
(b) Future salary growth	8.00% first 2 years; 6.00% thereafter	8.00% first 2 years; 6.00% thereafter
(c) Retirement age (years)	58	58
(d) Withdrawal rates	10%	30%

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

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

## (VIII) Sensitivity analysis

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
(a) Discount rate (1% movement)	(1)	1	(1)	1
(b) Future salary growth (1% movement)	1	(1)	1	(1)
(c) Withdrawal assumption (1% movement)	-	-	(0)	(0)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions as shown.

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

Expected Cash Flows over the next (valued on Undiscounted Cash Flows)	As at March 31, 2023	As at March 31, 2022
1 year	8	10
2 to 5 years	40	25
6 to 10 years	8	4
More than 10 years	3	-

Defined Contribution	Year ended March 31, 2023	Year ended March 31, 2022
Provident/Pension Fund	8	11
Employee State Insurance	-	1
<b>Total</b>	<b>8</b>	<b>12</b>

## 39. Due to Micro Enterprises and Small Enterprises

Particulars	As at March 31, 2023	As at March 31, 2022
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year :	-	-
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

## 40. Financial instruments - fair values and risk management

### A. Category wise classification of financial instruments and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2023, including their levels in the fair value hierarchy.

Particulars	Carrying amount					Fair value			
	FVTPL	FVOCI	Other financial assets at amortised cost	Other financial liabilities at amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>									
Investment in Mutual funds	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-
<b>Financial assets</b>									
Loans ( Refer Note 13)	-	-	2,254	-	2,254	-	-	-	-
Trade receivables (Refer Note 10)	-	-	441	-	441	-	-	-	-
Cash and cash equivalents (Refer Note 11)	-	-	259	-	259	-	-	-	-
Other bank balances (Refer Note 12)	-	-	7,637	-	7,637	-	-	-	-
Other financial assets (Refer Note 5 & 14)	-	-	1,776	-	1,776	-	-	-	-
<b>Total</b>	-	-	<b>12,367</b>	-	<b>12,367</b>	-	-	-	-
<b>Financial liabilities</b>									
Borrowing ( Refer Note 19)	-	-	-	99	99	-	-	-	-
Trade payables (Refer Note 24)	-	-	-	94	94	-	-	-	-
Other financial liabilities (Refer Note 21 & 25)	-	-	-	2,905	2,905	-	-	-	-
Lease Liabilities (Refer Note 20)	-	-	-	54	54	-	-	-	-
<b>Total</b>	-	-	-	<b>3,152</b>	<b>3,152</b>	-	-	-	-

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2022, including their levels in the fair value hierarchy.

Particulars	Carrying amount					Fair value			
	FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities- amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>									
Investment in Mutual funds	1,011	-	-	-	1,011	1,011	-	-	1,011
<b>Total</b>	<b>1,011</b>	-	-	-	<b>1,011</b>	<b>1,011</b>	-	-	<b>1,011</b>
<b>Financial assets</b>									
Loans	-	-	3	-	3	-	-	-	-
Trade receivables	-	-	870	-	870	-	-	-	-
Cash and cash equivalents	-	-	547	-	547	-	-	-	-
Other bank balances	-	-	177	-	177	-	-	-	-
Other financial assets	-	-	345	-	345	-	-	-	-
<b>Total</b>	-	-	<b>1,942</b>	-	<b>1,942</b>	-	-	-	-
<b>Financial liabilities</b>									
Borrowing	-	-	-	404	404	-	-	-	-
Trade payables	-	-	-	257	257	-	-	-	-
Other financial liabilities	-	-	-	3,340	3,340	-	-	-	-
Lease Liabilities	-	-	-	7	7	-	-	-	-
<b>Total</b>	-	-	-	<b>4,008</b>	<b>4,008</b>	-	-	-	-

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

## B. Measurement of fair values

### i. Valuation techniques and significant unobservable inputs

The fair value of cash and cash equivalents, bank balances, trade receivables, loans, investments in Debt instrument, borrowings, lease liabilities, trade payables and other financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's loans have been contracted at market rates of interest. Accordingly, the carrying value of such loans approximate fair value.

During the previous year, Investments in equity instruments, which are classified as FVOCI are based on market price at the respective reporting date.

### ii. Level 1 fair values

The following table shows a reconciliation from the opening balance to the closing balance for Level 1 fair values.

Particulars	FVOCI Equity instruments
<b>Balance as at March 31, 2022</b>	<b>1,011</b>
Current Investments during the year	100
Net Gain on investments measured at FVTPL	8
Equity Investments through other comprehensive income	-
Sale proceeds of Non current Investments	(1,119)
<b>Balance as at March 31, 2023</b>	<b>-</b>

## C. Financial risk management

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

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

### Risk management framework

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

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

### (i) Credit risk

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

### a) Trade receivables

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

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

The movement of Trade Receivables and Expected Credit Loss are as follows :

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables (Gross)	1,848	2,219
Less: Expected Credit Loss	(1,407)	(1,349)
<b>Trade Receivables (Net)</b>	<b>441</b>	<b>870</b>

Reconciliation of Expected Credit Loss (Trade receivables)	Amount
Expected Credit Loss as at March 31, 2021	1,174
Allowance for Expected Credit Loss	201
Bad debts and Irrecoverable Balances Written off	(26)
<b>Expected Credit Loss as at March 31, 2022</b>	<b>1,349</b>
Allowance for Expected Credit Loss	148
Bad debts and Irrecoverable Balances Written off	(90)
<b>Expected Credit Loss as at March 31, 2023</b>	<b>1,407</b>

## b) Loans and Advances

The movement of Loans and Expected Credit Loss are as follows :

Particulars	As at March 31, 2023	As at March 31, 2022
Loans	3,861	1,610
Less: Expected Credit Loss	1,607	1,607
<b>Loans (net)</b>	<b>2,254</b>	<b>3</b>

Reconciliation of Expected Credit Loss (Loans)	Amount
Expected Credit Loss as at March 31, 2021	1,405
Allowance for Expected Credit Loss	202
<b>Expected Credit Loss as at March 31, 2022</b>	<b>1,607</b>
Allowance for Expected Credit Loss	-
<b>Expected Credit Loss as at March 31, 2023</b>	<b>1,607</b>

The movement of Advances and Expected Credit Loss are as follows :

Particulars	As at March 31, 2023	As at March 31, 2022
Other Advances receivable	3,915	2,659
Less: Expected Credit Loss	2,327	2,321
<b>Loans (net)</b>	<b>1,588</b>	<b>338</b>

Reconciliation of Expected Credit Loss (Other Advance Receivable)	Amount
Expected Credit Loss as at March 31, 2021	2,319
Allowance for Expected Credit Loss	2
<b>Expected Credit Loss as at March 31, 2022</b>	<b>2,321</b>
Allowance for Expected Credit Loss	6
<b>Expected Credit Loss as at March 31, 2023</b>	<b>2,327</b>

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

## (ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's finance team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required; such credit facilities are reviewed at regular intervals. Thus, no liquidity risk is perceived at present.

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

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

March 31, 2023	Contractual cash flows				
	Carrying Amount	Total	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	99	99	99	-	-
Trade Payables	94	94	94	-	-
Other Financial Liabilities	2,905	2,905	2,905	-	-
<b>Total</b>	<b>3,098</b>	<b>3,098</b>	<b>3,098</b>	<b>-</b>	<b>-</b>

March 31, 2022	Contractual cash flows				
	Carrying Amount	Total	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	404	404	299	105	-
Trade Payables	257	257	257	-	-
Other Financial Liabilities	3,340	3,340	3,340	-	-
<b>Total</b>	<b>4,001</b>	<b>4,001</b>	<b>3,896</b>	<b>105</b>	<b>-</b>

## (iii) Market Risk

### Floating exchange rate

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

### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The total unhedged foreign currency exposure at the year end towards Trade Receivable & Trade Payable is ₹ 15 Lakhs (Previous year ₹ 53 Lakhs) and ₹ 28 Lakhs (Previous Year ₹ 29 Lakhs) respectively. The Company does not have significant foreign currency exposure and hence, is not exposed to any significant foreign currency risk.

### Interest rate risk

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

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Fixed rate instruments</b>		
<b>Financial Liabilities</b>		
Deposits from Public	99	404
	<b>99</b>	<b>404</b>

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

## Sensitivity analysis

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

## Equity risk

The Company's quoted equity instruments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The senior management reviews and approves all equity investment decisions.

## Sensitivity analysis

Investment in equity instruments of the Company are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. The table below summaries the impact of increase/decrease of the Nifty 50 index on the Company's equity and profit for the period. The analysis is based on the assumption that the NSE nifty 50 equity index had increased/decreased by 10% with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

Particulars	Effect on Profit before tax		Consequential effect on Equity before tax	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
NSE Nifty 50 - increase by 10% (March 31, 2022: 10%)	-	101	-	101
NSE Nifty 50 - decrease by 10% ( March 31, 2022: 10%)	-	(101)	-	(101)

## 41. Capital management

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

The Company monitors capital on the basis of the following Gearing ratio:

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings (including current maturities of Long term borrowing)	99	404
<b>Less:</b>		
Cash and Cash Equivalents	(259)	(547)
Bank balance other than Cash and Cash Equivalents	(7,637)	(177)
Current Investments	-	(1,011)
<b>Net Debt</b>	<b>(7,797)</b>	<b>(1,331)</b>
<b>Total Equity</b>	<b>69,503</b>	<b>63,218</b>
Debt to equity ratio	(0.11)	(0.02)

## 42. Segment Information

### A Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

The Company has two reportable segments, as described below, which is the Company's primary business segment. These business units are managed separately because they require different marketing strategies. For these business the Company's CODM (designation of the person who reviews) reviews internal management reports at quarterly basis.

Reportable segments - Operations

Express Distribution - Covers integrated E-commerce cargo logistics

Fuel Stations - Covers fuel stations dealing in petrol, diesel and lubricants, etc.

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

## B Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Company's CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Summary of Segment Information as at and for the year ended March 31, 2023 and March 31, 2022 is as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>1. Segment Revenue (Net Sales / Income from each Segment)</b>		
a) Express Distribution	86	1,971
b) Fuel Stations	25,444	22,828
c) Others	168	156
<b>Total</b>	<b>25,698</b>	<b>24,955</b>
Less: Inter Segment Revenue	-	-
<b>Net Sales / Income from Operations</b>	<b>25,698</b>	<b>24,955</b>
<b>2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)</b>		
a) Express Distribution	(272)	(143)
Exceptional Items - Income/(expense)	(272)	(524)
<b>Total(A)</b>	<b>(544)</b>	<b>(667)</b>
b) Fuel Stations	378	302
Exceptional Items - Income/(expense)	-	-
<b>Total(B)</b>	<b>378</b>	<b>302</b>
<b>Total (A+B)</b>	<b>(166)</b>	<b>(365)</b>
Add/Less: (i) Finance Cost	(34)	(139)
(ii) Other un-allocated Income/(expense), net	212	(45)
(iii) Exceptional Items - Income/(expense), net	(531)	(1,772)
<b>Profit / (Loss) before tax</b>	<b>(519)</b>	<b>(2,321)</b>

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>3. Segment Assets</b>		
a) Express Distribution	485	1,852
b) Fuel Stations	1,175	1,278
d) Unallocated	71,281	64,997
<b>Total Assets</b>	<b>72,941</b>	<b>68,127</b>
<b>Segment Liabilities</b>		
a) Express Distribution	407	1,079
b) Fuel Stations	46	42
c) Unallocated	2,985	3,788
<b>Total Liabilities</b>	<b>3,438</b>	<b>4,909</b>
<b>Capital Employed</b>	<b>69,503</b>	<b>63,218</b>

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>4. Depreciation and Amortisation Expenses</b>		
a) Express Distribution	54	98
b) Fuel Stations	13	11
<b>Total</b>	<b>67</b>	<b>109</b>

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>5. Significant Non - Cash Expenditure</b>		
a) Express Distribution	1,458	2,680
b) Fuel Stations	-	5
<b>Total</b>	<b>1,458</b>	<b>2,685</b>

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>6. Capital Expenditure</b>		
a) Express Distribution	-	-
b) Fuel Stations	36	1
<b>Total</b>	<b>36</b>	<b>1</b>

## C Geographical Information

The Company at present, operates in India only and therefore the analysis of geographical segments is not applicable to the Company.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>1. Revenue from External Customers</b>		
a) India	25,698	24,955
b) International	-	-
<b>Total</b>	<b>25,698</b>	<b>24,955</b>

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>2. Segment Non Current Assets *</b>		
a) India	1,626	3,460
b) International	-	-
<b>Total</b>	<b>1,626</b>	<b>3,460</b>

\* Non Current Assets are excluding Investment in Subsidiaries, Tax Assets, Deferred Tax Asset.

## 43. Earnings per Share

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Loss for the year (₹ Lakhs)	(542)	(2,014)
Weighted average number of shares (Nos.)	12,54,41,055	12,27,53,182
Diluted average number of shares (Nos.)	12,54,41,055	12,55,29,164
Basic Earnings Per Share (In ₹)	(0.43)	(1.64)
Diluted Earnings Per Share (In ₹)	(0.43)	(1.64)
Nominal value of shares outstanding (In ₹)	2.00	2.00

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

## 44. Related party disclosures

### (A) Names of related parties and related party relationship for the year ended March 31, 2023

i) <b>Holding Company</b>	1. Allcargo Logistics Limited	
ii) <b>List of Directors &amp; Key Managerial Personnel</b>	1. Mr Shashi Kiran Shetty	– Chairman and Managing Director
	2. Mr P N Shukla	– Director (Resigned w.e.f August 03, 2021)
	3. Mr Yasuhiro Kaneda	– Nominee Director (Resigned w.e.f July 01, 2022)
	4. Mr Kaiwan Kalayaniwalla	– Director
	5. Ms. Cynthia D'Souza	– Independent Director
	6. Mr. Dinesh Kumar Lal	– Independent Director
	7. Mr. Yasuyuki Tani	– Nominee Director (Appointed w.e.f August 02, 2022)
	8. Mr. Nilesh Shivji Vikamsey	– Independent Director
	9. Ms. T S Maharani	– Company Secretary and Compliance Officer
	10. Mr. Pirojshaw Sarkari (Phil)	– Chief Executive Officer (w.e.f. August 09, 2021)
	11. Mr. Anish Mathew	– Chief Financial Officer (Appointed w.e.f February 04, 2022)
	12. Mr. Rohan Mittal	– Chief Financial Officer (Resigned w.e.f November 12, 2021)
iii) <b>Entities in which Non Executive Director having significant influence</b>	1. M/s Maneksha & Sethna	
iv) <b>Subsidiaries &amp; Step down Subsidiaries</b>	1. Gati Kintetsu Express Private Limited	
	2. Gati Import Export trading Limited	
	3. Gati Logistics Parks Private Limited	
	4. Gati Projects Private Limited	
	5. Zen Cargo Movers Private Limited	
	6. Gati Kausar India Limited*	
	7. Gati Cargo Express (Shanghai) Co Limited	
v) <b>Fellow Subsidiaries</b>	1. ECU Hold NV	
vi) <b>Associate</b>	1. Gati Ship Limited	

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

## (B) Summary of the transactions with related parties

SL. No	Nature of Transaction	Key Managerial Personnel & Relatives		Entities in which Non Executive Director having significant influence		Holding, Subsidiaries, step down Subsidiaries & Fellow Subsidiaries		Total	
		FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
<b>a)</b>	<b>EXPENDITURE</b>								
	<b>Freight Expenses</b>								
	Gati Kintetsu Express Private Limited	-	-	-	-	40	917	40	917
		-	-	-	-	40	917	40	917
	<b>Remuneration</b>								
	Mr. Rohan Mittal	0	171	-	-	-	-	-	171
	Ms T S Maharani	39	42	-	-	-	-	39	42
	Mr Anish T Mathew	99	16	-	-	-	-	99	16
		138	229	-	-	-	-	138	229
	<b>Directors Sitting Fee</b>								
	Mr P N Shukla		1	-	-	-	-	-	1
	Ms. Cynthia D'Souza	1	1	-	-	-	-	1	1
	Mr. Dinesh Kumar Lal	2	3	-	-	-	-	2	3
	Mr. Nilesh Shivji Vikamsey	2	3	-	-	-	-	2	3
		5	8	-	-	-	-	5	8
	<b>Management Fee</b>								
	Gati Kintetsu Express Private Limited	-	-	-	-	60	139	60	139
	Allcargo Logistics Limited	-	-	-	-	-	20	-	20
		-	-	-	-	60	159	60	159
	<b>Maintenance Expenses</b>								
	Gati Kintetsu Express Private Limited	-	-	-	-	10	5	10	5
		-	-	-	-	10	5	10	5
	<b>Legal and Professional Expenses</b>								
	M/s Maneksha & Sethna	-	-	-	28	-	-	-	28
		-	-	-	28	-	-	-	28
	<b>Provision on Advances</b>								
	Gati Logistics Parks Private Limited	-	-	-	-	-	201	-	201
		-	-	-	-	-	201	-	201
	<b>Provision for Investment</b>								
	Gati Import and Export Private Limited	-	-	-	-	-	57	-	57
		-	-	-	-	-	57	-	57
	<b>Other Expenses</b>								
	Allcargo Logistics Limited	-	-	-	-	28	4	28	4
	ECU Hold NV	-	-	-	-	0	-	0	-

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

SL. No	Nature of Transaction	Key Managerial Personnel & Relatives		Entities in which Non Executive Director having significant influence		Holding, Subsidiaries, step down Subsidiaries & Fellow Subsidiaries		Total	
		FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
		-	-	-	-	28	4	28	4
<b>b)</b>	<b>INCOME</b>								
	<b>Freight</b>								
	Gati Cargo Express (Shanghai) Co Limited	-	-	-	-	18	108	18	108
		-	-	-	-	18	108	18	108
	<b>Rent</b>								
	Gati Kintetsu Express Private Limited	-	-	-	-	109	412	109	412
	Gati Import Export Trading Limited	-	-	-	-	0	0	0	0
	Gati Logistics Parks Private Limited	-	-	-	-	0	0	0	0
	Gati Projects Private Limited	-	-	-	-	0	0	0	0
	Gati Kausar India Limited *	-	-	-	-	-	0	-	0
	Gati Ship Limited	-	-	-	-	0	0	0	0
		-	-	-	-	110	412	110	412
	<b>Management Fee</b>								
	Gati Kintetsu Express Private Limited	-	-	-	-	168	137	168	137
	Gati Kausar India Limited *	-	-	-	-	-	2	-	2
		-	-	-	-	168	139	168	139
	<b>Reimbursement of expenses/ Other Income</b>								
	Gati Kintetsu Express Private Limited	-	-	-	-	21	-	21	-
		-	-	-	-	21	-	21	-
	<b>Interest Income - ICD</b>								
	Gati Kintetsu Express Private Limited - ICD	-	-	-	-	96	-	96	-
		-	-	-	-	96	-	96	-
	<b>Sale of Assets</b>								
	Allcargo Logistics Limited	-	-	-	-	23	-	23	-
		-	-	-	-	23	-	23	-

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

## (C) Summary of closing balances with related parties

SL. No	Particulars	Associates		Entities in which Non Executive Director having significant influence		Holding, Subsidiaries & Step down Subsidiaries & Fellow Subsidiaries		Total	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>c)</b>	<b>Investments - Equity</b>								
	Gati Import Export Trading Limited	-	-	-	-	230	230	230	230
	Gati Import Export Trading Limited - Provision	-	-	-	-	(182)	(177)	(182)	(177)
	Zen Cargo Movers Private Limited	-	-	-	-	36	36	36	36
	Zen Cargo Movers Private Limited - Provision	-	-	-	-	(36)	(36)	(36)	(36)
	Gati Kintetsu Express Private Limited	-	-	-	-	55,100	55,100	55,100	55,100
	Gati Logistic Parks Private Limited	-	-	-	-	1	1	1	1
	Gati Projects Private Limited	-	-	-	-	1	1	1	1
		-	-	-	-	<b>55,150</b>	<b>55,155</b>	<b>55,150</b>	<b>55,155</b>
<b>d)</b>	<b>Trade Receivables</b>								
	Gati Cargo Express (Shanghai) Co Limited	-	-	-	-	12	50	12	50
		-	-	-	-	<b>12</b>	<b>50</b>	<b>12</b>	<b>50</b>
<b>e)</b>	<b>Other Receivables</b>								
	Gati Kintetsu Express Private Limited	-	-	-	-	866	192	866	192
	Zen Cargo Movers Private Limited	-	-	-	-	6	22	6	22
	Gati Logistic Parks Private Limited	-	-	-	-	0	0	0	0
	Gati Projects Private Limited	-	-	-	-	0	0	0	0
	Gati Ship Limited	-	-	-	-	0	0	0	0
	Allcargo Logistics Limited	-	-	-	-	692	23	692	23
		-	-	-	-	<b>1,565</b>	<b>237</b>	<b>1,565</b>	<b>237</b>
<b>f)</b>	<b>Interest Receivable on ICD</b>								
	Gati Kintetsu Express Private Limited	-	-	-	-	86	-	86	-
		-	-	-	-	<b>86</b>	-	<b>86</b>	-
<b>g)</b>	<b>Loans &amp; Advances - Given</b>								
	Gati Logistic Parks Private Limited	-	-	-	-	1,444	1,444	1,444	1,444
	Gati Logistic Parks Private Limited - Provision	-	-	-	-	(1,443)	(1,443)	(1,443)	(1,443)
	Gati Kintetsu Express Private Limited - ICD	-	-	-	-	2,250	-	2,250	-
	Gati Projects Private Limited	-	-	-	-	3	2	3	2

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

SL. No	Particulars	Associates		Entities in which Non Executive Director having significant influence		Holding, Subsidiaries & Step down Subsidiaries & Fellow Subsidiaries		Total	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
		-	-	-	-	2,254	3	2,254	3
<b>h)</b>	<b>Trade Payables</b>								
	Gati Cargo Express (Shanghai) Co Limited	-	-	-	-	-	18	-	18
	Zen Cargo Movers Private Limited	-	-	-	-	-	15	-	15
	Gati Kintetsu Express Private Limited	-	-	-	-	0	101	0	101
		-	-	-	-	0	134	0	134
<b>i)</b>	<b>Other Payables</b>								
	Gati Kintetsu Express Private Limited	-	-	-	-	-	26	-	26
		-	-	-	-	-	26	-	26
<b>j)</b>	<b>Deposit and Advance Taken</b>								
	Gati Kintetsu Express Private Limited	-	-	-	-	-	140	-	140
		-	-	-	-	-	140	-	140
<b>h)</b>	<b>Investment Held for Sale</b>								
	Gati Ship Limited	8,623	8,623	-	-	-	-	8,623	8,623
	Gati Ship Limited Provision	(8,623)	(8,623)	-	-	-	-	(8,623)	(8,623)
		-	-	-	-	-	-	-	-

\* Ceased to be related party on July 14, 2021 due to disinvestment in Gati Kausar India Limited.

## Notes -

- (i) This is to confirm that the above transactions are (a) comprehensive and have been reviewed by Internal Auditors of the Company; (b) in the ordinary course of Business and at arm's length; (c) in compliance with applicable regulatory / statutory requirements including the Company's policy on Related Party Transactions.
- (ii) The Management confirms that requisite test to determine the arms length has been done and documented and where required confirmation from the external experts has been obtained for such determination.
- (iii) Related Party Transactions for which approval of the Audit Committee has been taken are well within the ambit of Omnibus Approval given by the Audit committee.
- (iv) The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given in FY 2022-23.
- (v) The remuneration of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.
- (vi) Balances as at March 31, 2022 do not include the balances of Gati Kausar India Limited which do not qualify as related party w.e.f. July 14, 2021.
- (vii) Wherever amounts are "0", the value is less than rupees fifty thousand.

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

- 45.** During the current year, the Allcargo Logistics Limited ("Parent Company") has signed the Share Purchase Agreement on March 27, 2023 with KWE-Kintetsu World Express (S) Pte Ltd (26%) and KWE Kintetsu Express (India) Private Limited (4%) ("KWE/KWE GROUP") for acquisition of 30% stake of KWE held in Gati-Kintetsu Express Private Limited ("GKEPL"), material subsidiary Company.
- 46.** During the previous financial year, Company had disposed a Subsidiary i.e. Gati Kausar India Limited ("GKIL"), by way of entering into Share Purchase Agreement ("SPA") among the Contracting Parties i.e. (i) Company as a Promoter, (ii) Mandala Capital AG Limited as an Investor, and (iii) GKIL as a Company. Pursuant to the aforesaid SPA, the Company has transferred its 69.79% equity holding in GKIL to Mandala Capital AG Limited for the sale consideration of ₹ 5 lakhs on July 14, 2021. With this aforementioned transfer, GKIL has ceased to be the Company's Subsidiary with effect from July 14, 2021. As a part of transaction one-time severance fees of ₹ 1,305 lakhs was also paid from Gati limited to GKIL as per the terms of share purchase agreement.
- 47.** Disclosure pursuant to Securities Exchange Board of India (Listing Obligation and Disclosure Requirement and Regulation 2015) and Section 186 of The Companies Act, 2013.

The Loans in the nature of loan to subsidiaries are as follows; -

Particulars	As at March 31, 2023	As at March 31, 2022
Loans	1,443	1,443
Less: - Allowances on the loans	(1,443)	(1,443)
	-	-
Loans receivable from subsidiary	2,250	-
<b>Total</b>	<b>2,250</b>	-

The Company had given interest free loan to a wholly owned subsidiary "Gati Logistics Parks Limited (GLPL)" amounting to ₹ 2,001 Lakhs towards financing a project in an earlier year, where the operation is yet to commence. During the previous financial year, the Company has received repayment of loan amount to the tune of ₹ 558 lakhs and balance loan receivable amount of ₹1,443 lakhs had been provided as provision.

Gati Limited has extended an inter-corporate deposits (ICDs) of ₹ 2,250 Lakhs to Gati Kintetsu Express Private limited (GKEPL) at an interest rate of 6.65% per annum, with interest payable at the end of the 12 months tenure.

- 48.** Gati Import Export Trading Limited (GIETL), a wholly owned subsidiary of the Company, has discontinued its operations in FY 2021. Company's investment in GIETL has been provided to extent of ₹ 182 lakhs as at March 31, 2023, out of this ₹ 57 lakhs was provided in financial year 2021-22 and further ₹ 5 lakhs is provided in the current financial year ended March 31, 2023.

- 49.** The Investment of ₹ 3,457 lakhs and ₹ 993 lakhs in Optionally Convertible Debentures (OCDs) of AmritJal Ventures Pvt Ltd (AJVPL) and Gati Infrastructure Sada-Mangder Private Limited (GISMPL) respectively, had been disposed off during the previous year ended March 31, 2022 at the sale consideration of ₹ 0.25 lakhs for each investment. Gain of ₹0.5 lakhs had been recognised on the disposal of investment as such investments were fully provided in books of accounts in the earlier years. In addition to the above mentioned sale consideration, in case of AJVPL, company has also received ₹ 10 lakhs through the Corporate Insolvency resolution process under "Insolvency and Bankruptcy Code (IBC) 2016, such amount has been shown in "other current financial liabilities". The Interest accrued and receivables over years on such OCDs of ₹ 1,768 lakhs and ₹ 389 lakhs had also been written off during the year ended March 31, 2022 for which fair valuation had been done in an earlier year to Nil value, therefore there is no financial impact in financial statements of the year ended March 31, 2022.

- 50.** During the previous financial year, the Board of Directors of the Company vide its meeting held on October 26, 2021 and the Shareholders of the Company through Postal Ballot by e-voting on December 17, 2021 have approved the shifting of Registered Office of the Company from the "State of Telangana" to the "State of Maharashtra at Mumbai", subject to the approval of the Hon'ble Regional Director, South East Region, Hyderabad. Further, the Company has filed the relevant application with the said Hon'ble Regional Director, Hyderabad as per the provisions of the Companies Act, 2013 seeking approval for the same and the matter is still pending for the order. The Company had filed an IA with NCLT, Hyderabad in the main petition praying for the shifting of Registered office of Gati Limited from the State of Telangana to the State of Maharashtra at Mumbai, and NCLT vide its order passed on April 25, 2023 ("said order"), given a direction to the Company to file Form INC-23 and also directing the Regional Director to examine and take decision not later than 15 days from the date of submission of application. The Company had already filed the said Form INC-23 on January 29, 2022 which is pending for approval and further filed an affidavit with the Hon'ble High Court of Telangana for withdrawal of the writ petition filed earlier.

- 51.** The Board of Directors of the Company at its Meeting held on May 19, 2023 granted an in-principle approval for the sale of its Fuel Station business consisting of 3 Fuel Pumps located at Bengaluru, Belgaum and Indore to Gati Projects Private Limited, wholly-owned subsidiary or such other party(ies) as may be determined by the Board of Directors of the Company from time to time. The aforesaid transaction shall materialise only upon receipt of required approvals from Oil Marketing Companies (OMCs) followed by formal approval of the Board and the shareholders of the Company for the effective implementation of sale / transfer / disposal off of the undertaking of the Company at a future date.

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

- 52.** Under 'The Direct Tax Vivad se Vishwas Act, 2020 (the scheme), the Department accepted the applications of the Company and the tax liability was assessed at ₹ 3,257 lakhs for which company had created provision in the earlier years, out of which ₹ 1,000 lakhs were paid in the financial year 2020-21. Further balance liability of ₹ 2,257 lakhs has been discharged during the previous financial year. With this the total assessed tax liability under VsV Scheme stands closed.
- 53.** The Board of Directors of the Company have not recommended any dividend for the current financial year with an objective to conserve cash.

## 54. Financial performance ratios

Ratio	Numerator	Denominator	Current Period	Previous Period	Variance	Reasons for Variance
Current Ratio (in times)	Current Assets	Current Liabilities	4.61	1.83	152%	Note -1
Debt Equity ratio (in times)	Total Debt	Shareholder's Equity	0.00	0.01	-78%	Note -2
Debt service coverage ratio (in times)	Earnings available for debt Service	Total Debt Service	1.39	(0.25)	-655%	Note -3
Return on Equity Ratio (in %)	Net Profit After Taxes- Preference Dividends( if any)	Average Shareholder's Equity	(0.01)	(0.03)	-74%	Note -4
Inventory turnover ratio (in times)	Cost of Goods Sold or Sales	Average Inventory	97.30	74.72	30%	Note -5
Trade Receivables turnover ratio (in times)	Net Sales	Average Account Receivables	10.90	10.12	8%	-
Trade payables turnover ratio (in times)	Net Purchases	Average Account Payables	1.13	5.41	-79%	Note -6
Net capital turnover ratio (in times)	Net Sales	Working Capital	2.13	6.31	-66%	Note -7
Net profit ratio (in %)	Net Profit	Net Sales	(0.02)	(0.08)	-74%	Note -8
Return on Capital employed (in %)	Earnings before interest and tax	Capital Employed	(0.01)	(0.03)	-80%	Note -9
Return on investment (in %)	Earnings before interest and tax	Investment	NA	NA	-	-

Explanations given where the change in the ratio is more than 25% as compared to the preceding year.

### Notes :

- The improved current ratio is mainly driven by a substantial cash inflow from the exercise of share warrants, significantly enhancing the Company's liquidity and its ability to meet short-term obligations.
- Strengthened debt equity ratio is on account of reduction in debt and inflow from share warrant conversion contribute to an improved financial leverage, reflected by a lower debt equity ratio.
- The debt service coverage ratio shows improved financial performance, driven by enhanced earnings and debt repayment, strengthening the Company's ability to meet debt obligations.
- Return on Equity improved on account of improved earnings.
- Increased inventory turnover ratio is due to efficient inventory management contributed to a higher turnover ratio, indicating improved utilization of inventory and enhanced operational efficiency.
- The Company's vendor turnover ratio has been optimized through strategic business scaling, leading to a decrease in the average accounts payable ratio and improved payables management efficiency.
- The decline in net capital turnover ratio is due to a substantial cash inflow from share warrant exercise, signifying increased capital investment and its impact on overall asset turnover.
- The improved net profit ratio is driven by better business performance and substantially lower exceptional losses, reflecting enhanced operational efficiency and stronger financial results.

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

- 9) The improved return on capital employed ratio is attributable to favorable earnings results, highlighting enhanced profitability as compared to previous year.

**Definitions:**

- (a) Earning for available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of Fixed assets etc.
- (b) Debt service = Interest & Lease Payments + Principal Repayments
- (c) Average inventory = (Opening inventory balance + Closing inventory balance) / 2
- (d) Net sales = Net sales consist of gross sales minus sales return
- (e) Average trade receivables = (Opening trade receivables balance + Closing trade receivables balance) / 2
- (f) Net purchases = Net purchases consist of gross purchases minus purchase return
- (g) Net credit purchases = Net credit purchases consist of gross credit purchases minus purchase return
- (h) Working capital = Current assets - Current liabilities.
- (i) Earning before interest and taxes = Profit before exceptional items and tax + Finance costs
- (j) Capital Employed = Total Equity + Total Debt
- (k) Return on Investment  

$$\frac{MV(T1) - MV(T0) - \text{Sum } [C(t)]}{MV(T0) + \text{Sum } [W(t) * C(t)]}$$

where

T1 = End of time period ,T0 = Beginning of time period, t = Specific date falling between T1 and T0  
 MV(T1) = Market Value at T1, MV(T0) = Market Value at T0  
 C(t) = Cash inflow, cash outflow on specific date  
 W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as  $[T1 - t] / T1$

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

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

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

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

## 55. Other statutory information

- (i) The Company does not have any transactions with companies struck off during current or previous financial year.
- (ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period during current or previous financial year.
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during current or previous financial year.
- (iv) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority during current or previous financial year.
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) during current or previous financial year with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) during current or previous financial year with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

## 56. Employee share-based payment:

The Company has formulated employee share-based payment schemes with objective to attract and retain talent and align the interest of employees with the Company as well as to motivate them to contribute to its growth and profitability. The Company views employee stock options as instruments that would enable the employees to share the value they create for the Company in the years to come. For the year ended March 31, 2023 the Company recognised total expenses of ₹ 88 lakhs (March 31, 2022 - ₹ 3 lakhs) related to Share based Payment schemes.

During the previous financial year, the shareholders of the Company had approved the 'Gati - Employees stock Appreciation Rights Plan 2021 ('ESAR 2021'/ 'Plan') on January 27, 2022 and the Company had also obtained the in-principle approval from the BSE Limited and the National Stock Exchange of India Limited for the granting of Employee Stock Appreciation Rights ("ESARs") under the Plan to the employees of the Company, its Holding Company, Subsidiary Company(ies). Further, the Nomination and Remuneration Committee of the Board of Directors of the Company vide its meeting held on March 17, 2022 have granted 31,05,000 ESARs to the Employees of the Company, its Holding Company and Subsidiary Company. The necessary accounting for the above has been made in the books of accounts in the respective periods. Furthermore, the Nomination and Remuneration Committee of the Board of Directors of the Company vide its meeting held on February 08, 2023 have granted 7,75,000 ESARs to the Employees of the Holding Company and Subsidiary Company w.e.f April 01, 2023. At present, following employee share-based payment scheme is in operation, details of which are given below:

### A) Details of ESAR grants are summarised below -

S.No.	Particulars	Year ended March 31, 2023
1	Date of shareholders' approval	January 27, 2022
2	Total number of options approved under ESARs scheme	42,00,000
3	Vesting requirements	Vesting period of one year but not later than 4 years from the date of grant
4	Exercise price or pricing formula	₹ 85
5	Source of shares (primary, secondary or combination)	Primary
6	Variation of terms of options	No Variations
7	Method used to account for ESOS - Intrinsic or fair value	Fair Value Method

S.No.	Particulars	Year ended March 31, 2023
1	Number of options outstanding at the beginning of the year	-
2	Number of options granted during the year	31,05,000
3	Number of options forfeited/lapsed during the year	2,25,000
4	Number of options vested during the year	-
5	Number of options exercised during the year	-
6	Number of shares arising as a result of exercise of options	NA
7	Amount realized by exercise of options (₹)	-
8	Loan repaid by the Trust during the year from exercise price received	NA
9	Number of options outstanding at the end of the year (out of total number of options approved under scheme)	28,80,000
10	Number of options exercisable at the end of the year (out of total number of options approved under scheme)	28,80,000

# Notes to Standalone Financial Statements

as at and for the Year Ended March 31, 2023

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

**11** 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.

**12** The fair value has been calculated using the Black Scholes Option Pricing model. The assumptions used in the model are as follows:

Stock Options granted on	April 01, 2022
Weighted average exercise price (in ₹)	85.00
Weighted average Fair value (in ₹)	88.82
Volatility (%)	54.02%
Dividend yield (%)	0.57%
Life of Options granted (Years)	5.01
Risk free interest rate (%)	6.12%

**13** The volatility used in the Black-Scholes option-pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is commensurate with the expected life of the options and is based on the daily volatility of the Company's stock price on NSE.

**14** There are no market conditions attached to the grant and vest.

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

**58.** The financial statements of the Company for the year ended March 31, 2022, included in these Standalone Financial Statements, have been audited by the predecessor auditor.

As per our report of even date attached  
**For S.R. BATLIBOI & ASSOCIATES LLP**  
 Chartered Accountants  
 ICAI Firm Registration No: 101049W/E300004

**Aniket A Sohani**  
 Partner  
 Membership no: 117142

Place: Mumbai  
 Date: May 19, 2023

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

**Shashi Kiran Shetty**  
 Chairman & Managing Director  
 DIN: 00012754

**Anish T Mathew**  
 Chief Financial Officer  
 M. No. 211965

Place: Hyderabad  
 Date: May 19, 2023

**Pirojshaw Sarkari**  
 Chief Executive Officer

**T S Maharani**  
 Company Secretary  
 M No. F8069

Place: Hyderabad  
 Date: May 19, 2023

# Independent Auditor's Report

To the Members of Gati Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying Consolidated Financial Statements of Gati Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, their consolidated losses including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated

Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>Recoverability of trade receivables</b> ((as described in Note 13 of the Consolidated Financial Statements)</p> <p>The gross balance of trade receivables as at March 31, 2023 amounted to ₹ 33,986 Lakhs, against which the Group has recorded expected credit loss provision of ₹ 7,308 Lakhs. The collectability of trade receivables is a key element of the Group's working capital management.</p> <p>The Group has a formal policy for evaluation of recoverability of receivables and recording of impairment loss which is applied at every period-end. In accordance with Ind AS 109 'Financial Instruments', the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on trade receivables which is based on the historical credit loss experience, current conditions and forecasts of future conditions. In calculating expected credit loss, the Group has also considered customer accounts as well as experience with collection trends and current economic and business conditions.</p>	<p>Our audit procedures among other things included the following:</p> <ul style="list-style-type: none"> <li>We obtained an understanding of the Group's policies, processes and financial controls relating to the monitoring of trade receivables and review of credit risks of customers, evaluated the design and tested the operating effectiveness of such controls.</li> <li>We performed procedures to evaluate the management's assessment of recoverability of receivables including management's estimates and the inputs used for development of the ECL model, analysis of ageing of receivables, assessment of material overdue individual trade receivables and specific customer balances.</li> <li>We circularized requests for balance confirmations on sample basis and examined responses. Performed alternate procedures where confirmations were not received.</li> <li>We inspected relevant contracts and correspondences with the customers on sample basis, assessment of their creditworthiness with reference to publicly available information etc., where applicable.</li> </ul>

Key audit matters	How our audit addressed the key audit matter
<p>We considered this as key audit matter due to the materiality of the amounts and significant estimate and judgements as stated above.</p>	<ul style="list-style-type: none"> <li>• We obtained evidence of receipts from customers after the period end on test check basis.</li> <li>• Performed journal entry testing to examine the manual entries including debit notes and credit notes on a sample basis.</li> <li>• We tested the mathematical accuracy and computation of the allowances by using the same input data used by the Group.</li> </ul> <p>We assessed the adequacy of the disclosures on the trade receivables in Note 13.</p>
<p><b>Impairment assessment of Goodwill</b> (as described in Note 4 of the Consolidated Financial Statements)</p> <p>The Group has goodwill of ₹ 42,580 lakhs as at the balance sheet date. Goodwill is tested for impairment annually.</p> <p>Management has assessed and determined the recoverable amount based on judgments and key assumptions relating to identification of impairment indicators, revenue growth, operating margin, forecasts of future cashflows and discount rates applied to such cash flows.</p> <p>We considered this as key audit matter because the assumptions on which the tests are based are highly judgmental and are affected by future market and economic conditions which are inherently uncertain and because of the materiality of the balances to the Consolidated Financial Statements as a whole.</p>	<p>Our audit procedures among other things included the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the Group's processes and policies with respect to assessment of impairment, evaluated the design and tested the operating effectiveness of such controls.</li> <li>• We obtained and assessed the cash flow forecasts and evaluated the key assumptions and estimates used by Management in preparing these forecasts by comparing them with factors such as historical financial information and performing inquiries with Management.</li> <li>• We assessed objectivity and independence of external specialist engaged by the management for evaluation of recoverable value. We obtained and read the report of external specialist to understand the work performed on testing of key assumptions and estimates and their outcome of testing.</li> <li>• We involved our subject matter experts to assist in evaluating the valuation methodology, identifying and testing key assumptions and estimates and performing comparative calculations to test the reasonableness of key assumptions used in preparing the cash flow forecasts.</li> <li>• We also assessed the recoverable value by performing sensitivity testing of key assumptions used.</li> <li>• We tested the arithmetical accuracy of the calculations and assessed the accounting treatment applied and</li> <li>• We assessed whether the disclosures made in Consolidated Financial Statements, are in accordance with the requirements of the Indian Accounting Standards.</li> </ul>
<p><b>Assessment of carrying value of Assets held for sale</b> (as described in Note 17 of the Consolidated Financial Statements)</p> <p>The Group has classified assets earmarked for disposal as Assets held for sales. Assets held for sales are carried at fair value or cost whichever is lower.</p> <p>The determination of the fair value of financial assets is considered to be a significant area in view of the materiality of amounts involved, judgements involved in selecting the valuation basis, use of unobservable inputs and non-binding offers from and negotiation held with prospective buyers as a result of which fair value is sensitive to change in input assumption.</p> <p>Accordingly, this matter has been determined to be a key audit matter in our audit of the Consolidated Financial Statements</p>	<p>Our audit procedures among other things included the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the Group's internal financial controls relating to assessment of carrying amount of Assets held for sale, evaluated the design and tested the operating effectiveness of such controls.</li> <li>• We assessed objectivity and independence of external specialist engaged by the management for evaluation of recoverable value. We obtained and read the report of external specialist to understand the nature and scope of work performed including testing of key assumptions such as similar comparable properties value, discount rate, replacement cost and estimates and their outcome of testing.</li> <li>• We involved our subject matter experts to assess the reasonableness of the valuation methodology and underlying assumptions used by the management to arrive at the fair value of properties, on a sample basis.</li> <li>• We verified the agreements to sell and negotiations made with prospective buyer.</li> <li>• We assessed the appropriateness of disclosures made by the Group in accordance with Ind AS and Schedule III to Companies Act, 2013.</li> </ul>

### Other Information

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

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

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

### Responsibilities of Management and Those charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of four Indian subsidiaries, whose financial statements include total assets of ₹ 219.74 Lakhs as at March 31, 2023 and total revenues of ₹ NIL and net cash outflows of ₹ 35.65 Lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.

- (b) The Consolidated Financial Statements of the Holding Company for the year ended March 31, 2022, included in these Consolidated Financial Statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 20, 2022.

Our opinion above on the Consolidated Financial Statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, companies, incorporated in India, we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
  - (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
  - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies,

incorporated in India, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiary companies, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company, its subsidiaries incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
- i. The Consolidated Financial Statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its Consolidated Financial Statements – Refer Note 38(i)(a) to the Consolidated Financial Statements;
  - ii. The Group, did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;
  - iii. Following are the instances of delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company

Period to which the amount relates	Amount (₹ in Lacs)	Delay in days	Remarks
FY 2007-08	0.32	3,106	Holding Company is in the process of depositing these amounts with Investor Education and Protection Fund.
FY 2008-09	0.51	2,740	
FY 2010-11	0.00	2,010	
FY 2011-12	0.67	1,645	
FY 2012-13	0.65	1,279	
FY 2013-14	1.27	914	
FY 2014-15	2.94	549	
FY 2015-16	7.79	184	
	<b>14.16</b>		

- iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The respective managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries, from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing

- or otherwise, that the Holding Company or any of such subsidiaries, shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v) No dividend has been declared or paid during the year by the Holding Company and its subsidiaries companies, incorporated in India.
- vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company and its subsidiaries, companies incorporated in India, hence reporting under this clause is not applicable.

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

per **Aniket A Sohani**  
Partner  
Membership No.: 117142  
UDIN: 23117142BGYJBC1121

Mumbai  
May 19, 2023

# Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Gati Limited ("the Holding Company")

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

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the Consolidated Financial Statements are:

S. No	Name	CIN	Holding company/ subsidiary	Clause number of the CARO report which is qualified or is adverse
1	Gati Limited	L63011TG1995PLC020121	Holding Company	Clause 3(i)(c) <sup>1</sup> ,   Clause 3(vii)(a) <sup>2</sup>
2	Gati Kintetsu Express Private Limited	U62200MH2007PTC390900	Subsidiary	Clause 3(i)(c)1

<sup>1</sup>Clause pertains to title deeds of certain of immovable properties not held in name of the Companies.

<sup>2</sup>Clause pertains to undisputed statutory dues of certain statute not deposited for a period of more than six months.

For **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per **Aniket A Sohani**

Partner

Membership No.: 117142

UDIN: 23117142BGYJBC1121

Mumbai  
May 19, 2023

## Annexure '2' to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Gati Limited

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

In conjunction with our audit of the Consolidated Financial Statements of Gati Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included

obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements.

### Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

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

### Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

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

### Opinion

In our opinion, the Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to Consolidated

Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements of the Holding Company, in so far as it relates to four subsidiaries

which are Companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

For **S.R. BATLIBOI & ASSOCIATES LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

per **Aniket A Sohani**

Partner

Membership No.: 117142

UDIN: 23117142BGYJBC1121

Mumbai

May 19, 2023

# Consolidated Balance Sheet

as at March 31, 2023

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

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3A	7,262	6,664
Right-of-use Asset	3B	18,278	17,577
Goodwill	4	42,580	42,580
Other Intangible Assets	5	333	450
Intangible Assets under Development	6	59	59
<b>Financial Assets</b>			
Other Financial Assets	7	1,047	871
Deferred Tax Assets, net	8	2,635	2,781
Tax Assets, net	9	6,610	7,178
Other Non-Current Assets	10	160	169
		<b>78,964</b>	<b>78,329</b>
<b>Current Assets</b>			
Inventories	11	244	279
<b>Financial Assets</b>			
Investments	12	-	1,011
Trade Receivables	13	26,678	23,233
Cash and Cash Equivalents	14A	1,893	1,581
Other Bank Balances	14B	7,759	236
Other Financial Assets	15	2,431	1,772
Other Current Assets	16	3,113	3,328
<b>Total current assets before assets held for sale</b>		<b>42,118</b>	<b>31,440</b>
Assets Held for Sale	17	7,388	13,264
		<b>49,506</b>	<b>44,704</b>
<b>Total Assets</b>		<b>1,28,470</b>	<b>1,23,033</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	18	2,603	2,459
Other Equity	19	58,864	53,526
Non Controlling Interest		7,344	7,686
		<b>68,811</b>	<b>63,671</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	20	1	854
Lease Liabilities	21	16,052	14,005
Other Financial Liabilities	22	-	12
Provisions	23	1,920	1,541
		<b>17,973</b>	<b>16,412</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	24	12,449	14,379
Lease Liabilities	21	3,575	3,196
Trade Payables	25		
(a) Total outstanding dues of Micro and Small Enterprises		1,128	1,570
(b) Total outstanding dues of creditors other than Micro and Small Enterprises		8,387	8,606
Other Financial Liabilities	26	13,084	12,217
Other Current Liabilities	27	1,742	2,453
Provisions	23	1,321	529
		<b>41,686</b>	<b>42,950</b>
<b>Total Liabilities</b>		<b>59,659</b>	<b>59,362</b>
<b>Total Equity and Liabilities</b>		<b>1,28,470</b>	<b>1,23,033</b>
Significant Accounting Policies	2		

The accompanying notes form an integral part of the Consolidated Financial Statements

As per our report of even date attached

For S.R. Batliboi & Associates LLP

Chartered Accountants  
ICAI Firm Registration No: 101049W/E300004

Aniket A Sohani

Partner  
Membership no: 117142

Place: Mumbai  
Date: May 19, 2023

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

Shashi Kiran Shetty

Chairman & Managing Director  
DIN: 00012754

Anish T Mathew

Chief Financial Officer  
M. No. 211965

Place: Hyderabad  
Date: May 19, 2023

Pirojshaw Sarkari

Chief Executive Officer

T S Maharani

Company Secretary  
M No. F8069

Place: Hyderabad  
Date: May 19, 2023

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

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

Particulars	Notes	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>(I) INCOME</b>			
Revenue from Operations	28	1,72,317	1,48,994
Other Income	29	2,287	1,530
<b>TOTAL INCOME (I)</b>		<b>1,74,604</b>	<b>1,50,524</b>
<b>(II) EXPENSES</b>			
Operating Expenses	30	1,05,954	92,696
Purchase of Stock-in-trade		24,744	22,162
Changes in Inventories of stock-in-trade	31	36	53
Employee Benefit Expense	32	18,815	15,805
Finance Costs	33	2,936	2,732
Depreciation and Amortisation Expense	34	5,921	3,492
Other Expenses	35	15,764	14,839
<b>TOTAL EXPENSES (II)</b>		<b>1,74,170</b>	<b>1,51,779</b>
<b>(III) PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)</b>		<b>434</b>	<b>(1,255)</b>
<b>(IV) Exceptional Items</b>	36	96	1,205
<b>(V) PROFIT/(LOSS) BEFORE TAX (III+IV)</b>		<b>530</b>	<b>(50)</b>
<b>(VI) TAX EXPENSES</b>	37		
Current Tax		1,313	231
Deferred Tax		347	(242)
Tax related to earlier years		(39)	404
<b>TOTAL TAX EXPENSES</b>		<b>1,621</b>	<b>393</b>
<b>(VII) PROFIT/(LOSS) FOR THE YEAR (V-VI)</b>		<b>(1,091)</b>	<b>(443)</b>
<b>(VIII) OTHER COMPREHENSIVE INCOME (OCI)</b>			
Items not to be reclassified to profit or loss in subsequent periods:			
a) Re-Measurement gains/ (losses) on defined benefit plans		(813)	(425)
b) Income tax effect on above items		201	105
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX)</b>		<b>(612)</b>	<b>(320)</b>
<b>(IX) TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VII+VIII)</b>		<b>(1,703)</b>	<b>(763)</b>
<b>(X) Profit/(Loss) for the year</b>		<b>(1,091)</b>	<b>(443)</b>
<b>Attributable to:</b>			
Owners of the Company		(928)	887
Non-Controlling Interests		(163)	(1,330)
<b>Total comprehensive income for the year</b>		<b>(1,703)</b>	<b>(763)</b>
<b>Attributable to:</b>			
Owners of the Company		(1,361)	661
Non-Controlling Interests		(342)	(1,424)
<b>EARNINGS PER EQUITY SHARE</b>	45		
<b>[Nominal value per share ₹ 2/- (March 31,2022: ₹ 2/-)]</b>			
Basic (in ₹)		(0.74)	0.72
Diluted (in ₹)		(0.74)	0.71
Significant Accounting Policies	2		

The accompanying notes form an integral part of the Consolidated Financial Statements

As per our report of even date attached

For S.R. Batliboi & Associates LLP

Chartered Accountants  
ICAI Firm Registration No: 101049W/E300004

Aniket A Sohani

Partner  
Membership no: 117142

Place: Mumbai  
Date: May 19, 2023

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

Shashi Kiran Shetty

Chairman & Managing Director  
DIN: 00012754

Anish T Mathew

Chief Financial Officer  
M. No. 211965

Place: Hyderabad  
Date: May 19, 2023

Pirojshaw Sarkari

Chief Executive Officer

T S Maharani

Company Secretary  
M No. F8069

Place: Hyderabad  
Date: May 19, 2023

# Consolidated Cash Flow Statement

for the year ended March 31, 2023

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>(A) Cash Flow from Operating Activities</b>		
Profit/(Loss) Before Taxes after exceptional items as per Statement of Profit and Loss	530	(50)
<b>Adjustments For :</b>		
Depreciation and Amortisation Expense	5,921	3,492
Finance Costs	2,936	2,732
Net gain on Sale of Investments	-	(1)
Interest on Income Tax Refund	(158)	(275)
Interest Income from Deposit with Bank and Others	(225)	(40)
Interest Income from Unwinding of Other Financial Assests	(89)	-
Liabilities no longer required - written back	(1,684)	(1,014)
Impairment charged of Property, Plant and Equipment	345	524
Loss on write off of Property, Plant and Equipment	792	-
Net (gain)/ loss on sale of Property, Plant and Equipment	(17)	316
Net (gain)/ loss on Lease Modification	(22)	47
Allowance for Expiry Stock	-	42
Net gain on Sale of Mutual Funds	(8)	(19)
Allowance for Expected Credit Loss	2,555	1,731
Bad debts and irrevocable balances written off (net of allowances)	23	50
Gain on loss of control of a Subsidiary	-	(6,012)
Severance payment on disposal of Investment in GKIL	-	1,305
Provision for GST related expenses (Net of amount paid)	-	1,189
Provision for Employees Share Appreciation Rights	924	33
Net Foreign Exchange gain	-	(2)
Net gain on disposal of Non-core Assets	(704)	-
Impairment charged/(reversed) in the realisable value of Non-core Assets	(529)	1,302
<b>Operating profit before working capital changes</b>	<b>10,590</b>	<b>5,350</b>
Decrease In Inventories	36	48
Increase In Trade Receivables	(5,486)	(5,478)
Decrease / (Increase) in Other Current Financial Assets	187	(376)
Decrease in Other Current Assets	228	46
Increase in Loans and Non Current Assets	(351)	(197)
Increase in Short Term Provisions	358	194
Increase / (Decrease) in Current Financial Liabilities	1,040	(375)
Increase In Trade Payables	5	2,067
Decrease in Current Liabilities	(70)	(354)
Decrease in Non Current Liabilities	(12)	-
<b>Cash generated from operations</b>	<b>6,525</b>	<b>926</b>
Direct Taxes paid (net of refunds)	(707)	(1,580)
<b>Net Cash Flows generated/(used) from Operating Activities</b>	<b>5,818</b>	<b>(654)</b>
<b>(B) Cash Flow from Investing Activities</b>		
Proceeds from sale of Property, Plant and Equipment	117	4,720
Proceeds from sale of Non-core Assets	7,776	-
Expenditure on Property, Plant and Equipment including Capital work in progress	(3,295)	(859)
Expenditure on Intangible Assets	(21)	(59)
Purchase of Current Investments (Net)	(100)	(5,399)
Proceeds from Sale of Investments	1,119	4,408
(Investment in)/Proceeds from bank Fixed Deposit (Net)	(7,524)	1,141
Interest Received	295	47
Severance payment on disposal of Investment in GKIL	-	(1,305)

# Consolidated Cash Flow Statement

for the year ended March 31, 2023

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Net Cash Flows generated/(used) from Investing Activities</b>	<b>(1,633)</b>	<b>2,694</b>
<b>(C) Cash Flow from Financing Activities</b>		
Proceeds from issue of Equity Shares and Share Warrants (Net of issue expenses)	5,250	2,737
Repayment of Public Deposits	(305)	(297)
Repayment of Long Term Borrowings	(1,012)	(1,801)
Proceeds/(Repayment) of Short Term Borrowings (Net)	(1,466)	(449)
Payment of Principal portion of Lease Liabilities	(3,394)	(1,676)
Payment of Interest on Lease Liabilities	(1,650)	(985)
Interest Paid	(1,296)	(2,222)
<b>Net Cash Flows used in Financing Activities</b>	<b>(3,873)</b>	<b>(4,693)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>312</b>	<b>(2,653)</b>
Cash and Cash Equivalents at the beginning of the year	1,581	4,247
Less: Cash and Cash Equivalents of Disposed Subsidiary	-	(12)
<b>Cash and Cash Equivalents as the end of the year</b>	<b>1,893</b>	<b>1,581</b>

**Notes:**

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

2. Component of Cash & Cash Equivalents	As at March 31, 2023	As at March 31, 2022
<b>Balance with Banks:</b>		
On Current Accounts	1,878	1,504
Deposits with original maturity of less than three months	-	57
Cash on hand	15	20
<b>Cash and Cash Equivalents as per Balance Sheet (Refer Note 14A)</b>	<b>1,893</b>	<b>1,581</b>

**As per our report of even date attached****For S.R. Batliboi & Associates LLP**Chartered Accountants  
ICAI Firm Registration No: 101049W/E300004**Aniket A Sohani**Partner  
Membership no: 117142Place: Mumbai  
Date: May 19, 2023**For and on behalf of the Board of Directors of Gati Limited****Shashi Kiran Shetty**Chairman & Managing Director  
DIN: 00012754**Anish T Mathew**Chief Financial Officer  
M. No. 211965Place: Hyderabad  
Date: May 19, 2023**Pirojshaw Sarkari**

Chief Executive Officer

**T S Maharani**Company Secretary  
M No. F8069Place: Hyderabad  
Date: May 19, 2023

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2023



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

## A) Equity Share Capital

Particulars	No. of Shares	Amount
<b>Balance as at March 31, 2021</b>	<b>12,19,45,977</b>	<b>2,439</b>
Add/(Less): Changes in Equity Share Capital for the year ended March 31, 2022	10,23,020	20
<b>Balance as at March 31, 2022</b>	<b>12,29,68,997</b>	<b>2,459</b>
Add/(Less): Changes in Equity Share Capital for the year ended March 31, 2023	71,61,120	144
<b>Balance as at March 31, 2023</b>	<b>13,01,30,117</b>	<b>2,603</b>

## B) Other Equity

Particulars	Reserves and Surplus					Money received against share warrants	Equity attributable to owners of the Company (A)	Non controlling Interest (B)	Total (A)+(B)		
	Securities Premium	General Reserve	Capital Reserve	Tonnage Tax Reserve (Utilized)	Share Option Outstanding account/ ESAR's					Special Reserve	Retained Earnings
<b>Balance as at March 31, 2022</b>	<b>35,067</b>	<b>10,505</b>	<b>2,084</b>	<b>929</b>	<b>56</b>	<b>14,707</b>	<b>(11,572)</b>	<b>1,750</b>	<b>53,526</b>	<b>7,686</b>	<b>61,212</b>
Profit/(Loss) for the year	-	-	-	-	-	-	(928)	-	(928)	(163)	(1,091)
Adjustments during the year	-	-	-	-	1,593	-	-	-	1,593	-	1,593
Issue of shares pursuant to preferential allotment*	6,857	-	-	-	-	-	-	(1,750)	5,107	-	5,107
Other Comprehensive income for the current year	-	-	-	-	-	-	(433)	-	(433)	(179)	(612)
<b>Balance as at March 31, 2023</b>	<b>41,924</b>	<b>10,505</b>	<b>2,084</b>	<b>929</b>	<b>1,649</b>	<b>14,707</b>	<b>(12,934)</b>	<b>-</b>	<b>58,864</b>	<b>7,344</b>	<b>66,208</b>

\* During the current year, the Company has issued and allotted 71,61,120 Equity Shares of face value of ₹ 2/- each ("Equity Shares") against share warrants at a price of ₹ 97.75/- per Equity Share at a premium of ₹ 95.75/- per Equity Share, aggregating up to ₹ 6,857 lakhs.

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

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

Particulars	Reserves and Surplus							Equity attributable to owners of the Company (A)	Non controlling Interest (B)	Total (A)+(B)	
	Securities Premium	General Reserve	Capital Reserve	Tonnage Tax Reserve (Utilized)	Share Option Outstanding account/ESAR's	Special Reserve	Retained Earnings				Money received against share warrants
<b>Balance as at March 31, 2021</b>	34,100	10,505	2,084	929	-	14,707	(12,254)	-	50,071	8,472	58,543
Profit/(Loss) for the year	-	-	-	-	-	-	887	-	887	(1,330)	(443)
Adjustments during the year	-	-	-	-	-	-	21	-	21	638	659
Issue of shares pursuant to preferential allotment**	967	-	-	-	-	-	-	-	967	-	967
Issue of share warrants	-	-	-	-	-	-	-	1,750	1,750	-	1,750
Share based payment reserve-ESAR's	-	-	-	-	56	-	-	-	56	-	56
Other Comprehensive income for the year	-	-	-	-	-	-	(226)	-	(226)	(94)	(320)
<b>Balance as at March 31, 2022</b>	<b>35,067</b>	<b>10,505</b>	<b>2,084</b>	<b>929</b>	<b>56</b>	<b>14,707</b>	<b>(11,572)</b>	<b>1,750</b>	<b>53,526</b>	<b>7,686</b>	<b>61,212</b>

\*\* During the previous year, the Company has issued and allotted 10,23,020 Equity Shares of face value of ₹ 2/- each ("Equity Shares") against share warrants at a price of ₹ 97.75/- per Equity Share at a premium of ₹ 95.75/- per Equity Share, aggregating up to ₹ 980 lakhs. Expenses incurred ₹ 13 lakhs for preferential allotment are adjusted against the securities premium.

The accompanying notes form an integral part of the Consolidated Financial Statements

As per our report of even date attached

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

For S.R. Batliboi & Associates LLP

Chartered Accountants  
ICAI Firm Registration No: 101049W/E300004

Shashi Kiran Shetty  
Chairman & Managing Director  
DIN: 00012754

Pirojshaw Sarkari  
Chief Executive Officer

Aniket A Sohani

Partner  
Membership no: 117142

Anish T Mathew  
Chief Financial Officer  
M. No. 211965

T S Maharani  
Company Secretary  
M No. F8069

Place: Mumbai  
Date: May 19, 2023

Place: Hyderabad  
Date: May 19, 2023

Place: Hyderabad  
Date: May 19, 2023

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

## Corporate and general information:

The Consolidated Financial Statements comprise financial statements of Gati Limited (the Company) and its Subsidiaries (collectively, the Group) for the year ended March 31, 2023. The Company is a public limited company incorporated in 1995 under provisions of the Companies Act, 1956 having its Registered and Corporate Office at 4<sup>th</sup> floor, Western Pearl, Survey no.13(P), Kondapur, Hyderabad - 500 084, Telangana, India. The Group is primarily engaged in the business of Express distribution and Supply chain solution through Surface, Air and Rail logistics, Supply chain management (SCM), E-Commerce logistics and Fuel stations. The Company is listed on National Stock exchange (NSE) and Bombay Stock Exchange (BSE).

## 1) Basis of Accounting:

### 1.1 Statement of Compliance

These Consolidated Financial Statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) read with Section 133 of the Companies Act, 2013 (the "Act"). The presentation of the Consolidated Financial Statements is based on Division II Schedule III of the Companies Act, 2013.

The financial statements are approved for issue by the Audit Committee and by the Board of Directors at its meeting held on May 19, 2023.

### 1.2 Basis of Measurement

The Consolidated Financial Statements have been prepared on a going concern basis using historical cost, except as stated below

- Financial Instruments - Measured at Fair value/ Amortised cost;
- Plan Assets under defined benefit plans—Measured at fair value;
- Employee share-based payments - Measured at fair value

### 1.3 Functional and Presentation Currency

All financial information presented in Indian rupees (INR) which is the group's functional currency, has been rounded to the nearest lakhs, unless otherwise stated.

### 1.4 Use of Estimates and Judgements

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

changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

## Critical accounting estimates and judgments used are as below:

- Defined benefit obligation
- Recognition of current tax and deferred tax
- Recognition and measurement of provisions and contingencies
- Fair value measurement of Financial instruments
- Provision for Doubtful Debts and advances
- Share based payments
- Impairment of Goodwill

## 1.5 Basis of Consolidation

The Consolidated Financial Statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2023.

The Subsidiary Companies considered in the Financial Statements are as follows:

Sl. No.	Name of the subsidiary	Country of Incorporation	% Voting Power as at March 31, 2023	% Voting Power as at March 31, 2022
1	Gati-Kintetsu Express Private Limited	India	70%	70%
2	Gati Kausar India Limited*	India	-	-
3	Gati Import Export Trading Limited	India	100%	100%
4	Zen Cargo Movers Private Limited	India	100%	100%
5	Gati Logistics Parks Private Limited	India	100%	100%
6	Gati Projects Private Limited	India	100%	100%

\* Gati Kausar India Limited ceased to be a subsidiary with effect from July 14, 2021.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has all of the below:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control on the subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that subsidiaries financial statements in preparing the Consolidated Financial Statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended March 31, 2023. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares additional financial information as on the same date for consolidation purpose to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

## Consolidation Procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and Property, Plant and Equipment are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

- Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

## 1.6 Current Vs Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to sell or consume in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is current when:

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

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

## Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2015 by issuing the Companies (Indian Accounting

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

Standards) Amendment Rules, 2023, applicable from April 1<sup>st</sup>, 2023, as below:

- i. **Ind AS 1 – Presentation of Financial Statements:** The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.
- ii. **Ind AS 12 – Income Taxes:** The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.
- iii. **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors:** The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

Based on preliminary assessment, the Group does not expect these amendments to have any significant impact on its Consolidated Financial Statements .

## 2) Significant Group Accounting Policies:

A summary of the significant accounting policies applied in the preparation of the Consolidated Financial Statements are as given below. These accounting policies have been applied consistently to all the periods presented in the Consolidated Financial Statements .

### 2.1 Property, plant and equipment

#### Recognition and Measurement:

- Property, plant and equipment (PPE) held for use in the supply of goods or services, or for administrative purposes, are stated in the balance sheet at acquisition cost, net of accumulated depreciation and cumulative impairment losses, if any.
- The initial cost at cash price equivalent of property, plant and equipment acquired comprises its purchase price after deducting trade discounts and rebates, including import duties and non-refundable purchase taxes, any directly attributable costs of bringing the assets to its working condition and location and present value of any obligatory decommissioning costs for its intended use. Administrative, Borrowing and other general overhead expenses that are specifically attributable

to construction or acquisition of PPE or bringing the PPE to working condition are allocated and capitalized as a part of cost of PPE. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

#### Capital work in progress and Capital Advances:

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

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

#### Non-current assets held for sale

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

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

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

#### Subsequent Expenditure:

- Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the cost incurred will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Items such as spare parts, stand by equipments and servicing equipments that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.
- Cost in nature of repair and maintenance expenses are charged to the statement of profit or loss during the reporting period in which they are incurred.

#### Depreciation and Amortisation:

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

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

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

- Freehold land is not depreciated.
- Cost of leasehold land is amortised over the period of the lease or its useful life, whichever is lower.
- Intangible assets are amortised on straight line basis over its estimated useful life.
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (upto) the date on which asset is ready for use (disposed off).

## De-recognition Assets:

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

## 2.2 Intangible Assets:

Intangible assets are stated at acquisition cost net of accumulated amortisation and cumulative impairment, if any. The Group capitalizes identifiable costs relating to development of internally generated software and these are stated net of accumulated amortisation.

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

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

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

Goodwill arising on business combination is carried at cost as established at the transaction date of business combination.

## 2.3 Leases:

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identifiable asset for a period of time in exchange for consideration.

### Group as a lessee

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

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

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount

of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.4 Impairment assets.

#### (ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### (iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of properties, machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

## 2.4 Impairment of assets:

- a) The Group assesses at each reporting date whether there is any indication that an asset (tangible or intangible), may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating units (CGU) net selling price and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased and such reversal is recorded in the Statement of Profit and Loss to the extent previously recognized in P&L and remaining amount transferred to reserves.
- b) Assets that are subject to depreciation and amortisation and assets representing investments in associate companies are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.
- c) An entity shall test an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment, irrespective of whether there is any indication of impairment. This impairment test may be performed at any time during the year, provided it is performed at the same time every year.
- d) CGUs to which goodwill is allocated are tested for impairment annually on each balance sheet date, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit and then to the other assets of the unit pro rata on the basis of carrying amount of each asset in the unit. Goodwill impairment loss recognized is not reversed in subsequent period.

## 2.5 Foreign currency Transactions:

- a) The financial statements are presented in Indian Rupee (INR), which is the functional and presentation currency of the Company.
- b) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction.
- c) At each balance sheet date, foreign currency monetary items are restated using the closing exchange rate.

- d) Any exchange difference on account of settlement of foreign currency transactions and restatement of monetary assets and liabilities denominated in foreign currency is recognised in the Statement of Profit and Loss.
- e) Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.
- f) On consolidation of subsidiaries, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in profit or loss.

## 2.6 Inventories:

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

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

## 2.7 Revenue Recognition:

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

### a) Freight services:

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

The revenue corresponds to the transaction price to which the Company is expected to be entitled.

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

**b) Sales of Goods:**

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

**c) Others:**

- I. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and amount of income can be measured reliably.
- II. Rent income is recognised on a straight-line basis over the period of the lease.
- III. Reimbursement of cost is netted off with the relevant expenses incurred, since the same are incurred on behalf of the customers.
- IV. Business support charges are recognized as and when the related services are rendered.

## 2.8 Contract Balances:

Contract balances include trade receivables, contract assets and contract liabilities.

**Trade receivables:**

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

**Contract assets:**

Contract asset includes the costs deferred for express distribution operations relating to cargo transportation operations where company's performance obligation is yet to be completed. Additionally, a contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

## 2.9 Financial instruments:

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

**(i) Financial assets:**

**a) Initial recognition and measurement:**

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

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

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

**I. Financial assets at amortized cost:**

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

- a) The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The Effective Interest Rate (EIR) amortisation is included in finance income in the Statement of Profit and Loss. This category generally applies to long-term deposits and long-term trade receivables.

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

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

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

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

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

All financial assets which are not classified/measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition,

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**b) Subsequent measurement**

For purposes of subsequent measurement:

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

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

**(ii) Financial Liability:**

Financial liabilities are classified and measured at amortised cost or FVTPL

**a) Initial Recognition & Subsequent measurement:**

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

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

**II. Financial liabilities at amortised cost:**

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

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

**b) Financial guarantee liability:**

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

Financial guarantee contracts are recognised initially as a liability at fair value net off transaction costs

that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**iii) Impairment of Financial Assets:**

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

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

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

As a practical expedient, the Group uses historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates to determine impairment loss allowance on portfolio of its trade receivables.

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

- iv) **Derecognition:**
- a) **Financial Assets:**  
The Group derecognizes a financial asset only
- when the contractual rights to the cash flows from the asset expire, or
  - It transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.
- b) **Financial liabilities:**  
The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.
- v) **Offsetting:**  
Financial assets and financial liabilities are offset and the net amount presented in the balance sheet, when and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

## 2.10 Fair Value measurement:

A number of the Group accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities. The Group has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments.

The Group measures financial assets and financial liability at fair value at each balance sheet date.

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

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

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

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

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

## 2.11 Employee benefits:

### a) **Current employee benefits**

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

### b) **Defined contribution plan:**

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

### c) **Defined benefit plan:**

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

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in Other comprehensive income (OCI).

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

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

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

#### d) **Compensated absences:**

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

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

#### e) **Short-term employee benefit:**

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

## 2.12 Taxes:

#### a) **Income Tax:**

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

#### **Current tax:**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

Current income tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### **Deferred tax:**

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

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

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

**b) GST/ value added taxes paid on acquisition of assets or on incurring expenses:**

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

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

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

## 2.13 Cash and cash equivalents:

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

## 2.14 Provisions and Contingencies:

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

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Such liabilities are disclosed by way of notes to the financial statements.

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

## 2.15 Borrowing cost:

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

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

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

## 2.16 Segment information:

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

## 2.17 Share based payments:

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

The fair value of option at the grant date is expensed over the vesting period with a corresponding increase in equity as "Share Option outstanding account". In case of forfeiture of unvested option, portion of amount already expensed is reversed. In a situation where the vested option forfeited or expires unexercised, the related balance standing to the credit of the "Share Option outstanding account" are transferred to the "General Reserve". When the options are exercised, the Company issues new fully paid up equity shares of the Company. The proceeds received and the related balance standing to credit of the Share Option outstanding account, are credited to equity share capital (nominal value) and Securities Premium.

## 2.18 Segment Reporting:

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

## 2.19 Earnings per share:

### (i) Basic earnings per share

Basic earnings per share are calculated by dividing the net profit or loss before other comprehensive Income for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

### (ii) Diluted earnings per share:

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

## 3A. Property, Plant and Equipment

### Tangible assets

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

Particulars	Gross Block			Accumulated Depreciation and Impairment			Net Carrying Value	
	As at April 01, 2022	As at April 01, 2022	As at March 31, 2023	As at April 01, 2022	Depreciation for the year	Impairment for the year	As at March 31, 2023	As at March 31, 2022
Freehold Land	2,176	-	2,171	524	-	345	869	1,652
Buildings	794	-	41	138	7	-	12	656
Lease Hold Improvements	78	153	231	1	6	-	7	77
Vehicles	432	35	314	214	38	-	194	218
Plant & Machinery	4,764	994	3,703	2,501	467	-	1,412	2,263
Computer	4,234	789	4,091	3,863	317	-	3,248	371
Furniture & Fittings	3,890	1,352	3,723	2,728	287	-	1,688	1,162
Office Equipment	2,364	326	2,215	2,099	161	-	1,797	265
<b>Total</b>	<b>18,732</b>	<b>3,649</b>	<b>16,489</b>	<b>12,068</b>	<b>1,283</b>	<b>345</b>	<b>9,227</b>	<b>6,664</b>

Particulars	Gross Block			Accumulated Depreciation and Impairment			Net Carrying Value	
	As at April 01, 2021	As at April 01, 2021	As at March 31, 2022	As at April 01, 2021	Depreciation for the year	Impairment for the year	As at March 31, 2022	As at March 31, 2021
Freehold Land	4,545	-	2,176	-	-	524	524	4,545
Fleet	3,538	-	-	2,590	80	-	-	947
Buildings	3,387	-	794	712	54	-	138	2,676
Lease Hold Improvements	-	78	78	-	1	-	1	-
Vehicles	1,098	8	432	448	84	-	214	650
Plant & Machinery	5,997	205	4,764	2,635	318	-	2,501	3,362
Computer	4,365	176	4,234	3,719	441	-	3,863	646
Furniture & Fittings	3,808	245	3,890	2,577	234	-	2,728	1,231
Office Equipment	2,320	92	2,364	2,020	125	-	2,099	300
<b>Total</b>	<b>29,058</b>	<b>804</b>	<b>18,732</b>	<b>14,701</b>	<b>1,337</b>	<b>524</b>	<b>12,068</b>	<b>14,357</b>

### Notes :

- The amount of Contractual commitments for acquisition of property, plant and equipment is disclosed in Note 38(ii).
- Refer Note 20 and 24 for information on Property, Plant and Equipments pledged as securities by the Company.
- Refer Note 17 for detailed information on assets held for sale.
- No proceedings have been initiated on or are pending against the Company or Subsidiaries for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) [formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)] and Rules made thereunder.

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

- e) Refer Note 34 and 36 for information on accelerated depreciation and loss on write off of Property, Plant and Equipment recorded during the financial year.
- f) During the current year, management has undertaken a detailed assessment of the economic useful life of all the assets and accordingly revised the estimated useful life for certain assets. Accordingly, the depreciation expense on Property, Plant and Equipment includes a charge of ₹ 198 lakhs (March 31, 2022 - Nil) on account of such change in estimate.
- g) In addition to the Assets Held for Sale disclosed under Note 17, management has identified three more non-core immovable properties for monetisation purposes which are presently grouped under Property, Plant and Equipment. The Board of Directors has approved the sale of these three properties during the meeting held on May 19, 2023, amounting to ₹ 681 lakhs.

## 3B. Right-of-use Asset (ROU)

Particulars	Gross Block			Accumulated Depreciation			Net Carrying Value	
	As at April 01, 2022	Additions	As at March 31, 2023	As at April 01, 2022	Depreciation for the year	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Leasehold Land	910	6	-	78	2	-	-	832
Buildings	19,059	6,813	24,202	3,389	3,870	6,264	17,938	15,670
Vehicles	1,327	-	814	642	471	808	6	685
Vehicles - Cars	22	7	22	4	8	7	15	18
Computers	660	-	660	324	122	446	214	336
Plant & Machinery	38	96	134	2	27	29	105	36
<b>Total</b>	<b>22,016</b>	<b>6,922</b>	<b>25,832</b>	<b>4,439</b>	<b>4,500</b>	<b>7,554</b>	<b>18,278</b>	<b>17,577</b>

Particulars	Gross Block			Accumulated Depreciation			Net Carrying Value	
	As at April 01, 2021	Additions	As at March 31, 2022	As at April 01, 2021	Depreciation for the year	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Leasehold Land	910	89	910	68	10	78	832	843
Buildings	7,339	12,959	19,059	2,033	1,692	3,389	15,670	5,305
Vehicles	1,334	-	1,327	480	166	642	685	855
Vehicles - Cars	-	22	22	-	4	4	18	-
Computers	346	314	660	220	104	324	336	126
Plant & Machinery	-	38	38	-	2	2	36	-
Others	162	-	-	18	3	-	-	144
<b>Total</b>	<b>10,091</b>	<b>13,422</b>	<b>22,016</b>	<b>2,820</b>	<b>1,981</b>	<b>4,439</b>	<b>17,577</b>	<b>7,273</b>

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

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

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
Depreciation expense of Right-of-use Assets	4,500	1,981
Interest expense on Lease Liabilities	1,650	985
<b>Total</b>	<b>6,150</b>	<b>2,966</b>

## Notes:

- The aggregate depreciation expenses on Right-of-use asset (ROU) is included under depreciation and amortization expenses in the Statement of Profit and Loss. (Refer Note - 34)
- The Company had total cash outflows for leases of ₹ 5,044 lakhs during the year ended March 31, 2023. The maturity analysis of lease liabilities are disclosed in note 21 of these financial statements.
- During the current year, management has undertaken a detailed assessment of the economic useful life of all the assets and accordingly revised the estimated useful life for certain assets. Accordingly, the depreciation expense on Right-of-use Assets includes a charge of ₹ 304 lakhs (March 31, 2022 - Nil) on account of such change in estimate.

## 4. Goodwill

The Goodwill is recognized on account of consolidation of subsidiary company "Gati Kintetsu Express Private limited" (GKEPL), and it represents the difference between the Company's investment and proportionate share of GKEPL net assets acquired at the time of acquisition. Goodwill arising upon business combinations is not amortised but tested for impairment at least annually or more frequently if there is any indication that the cash generating unit to which goodwill is allocated is impaired. Gross carrying value and accumulated amortisation with respect to goodwill represent Indian GAAP balances, that have been carried forward as such, relating to business combination entered before the transition date i.e., April 01, 2016.

## Particulars

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Gross carrying value</b>		
Opening Balance	42,580	42,580
Disposals	-	-
<b>Closing Balance</b>	<b>42,580</b>	<b>42,580</b>
<b>Accumulated Amortisation</b>		
Opening Balance	-	-
Impairment Loss	-	-
Disposals	-	-
<b>Closing Balance</b>	<b>-</b>	<b>-</b>
<b>Net Carrying Value</b>	<b>42,580</b>	<b>42,580</b>

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

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

- Estimated cash flows for five years, based on management's projections.
- A terminal value arrived at by extrapolating the last forecasted year cash flows to perpetuity, using a constant long-term growth rate of 5%. This long-term growth rate takes into consideration external macroeconomic sources of data.
- The after tax discount rates used are based on the Company's weighted average cost of capital.

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

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## 5. Other Intangible Assets

Particulars	Gross Block		Accumulated Amortization and Impairment		Net Carrying Value		
	As at April 01, 2022	As at March 31, 2023	As at April 01, 2022	Amortization for the year	Disposals/ Adjustment	As at March 31, 2023	As at March 31, 2022
Computer Software	1,752	1,773	1,303	138	-	1,441	450
<b>Total</b>	<b>1,752</b>	<b>1,773</b>	<b>1,303</b>	<b>138</b>	<b>-</b>	<b>1,441</b>	<b>450</b>

Particulars	Gross Block		Accumulated Amortization and Impairment		Net Carrying Value		
	As at April 01, 2021	As at March 31, 2022	As at April 01, 2021	Amortization for the year	Disposals/ Adjustment	As at March 31, 2022	As at March 31, 2021
Computer Software	1,680	1,752	1,125	174	5	1,303	555
<b>Total</b>	<b>1,680</b>	<b>1,752</b>	<b>1,125</b>	<b>174</b>	<b>5</b>	<b>1,303</b>	<b>555</b>

## 6. Intangible Assets under Development

Particulars	As at March 31, 2023	
	As at March 31, 2023	As at March 31, 2022
Software under Development	59	59
<b>Total</b>	<b>59</b>	<b>59</b>

**Notes:**  
Expenses during the year capitalised in respect of Intangible Assets under Development

a) Employee Benefit Expenses	-	-
b) Other Expenses	59	59
	<b>59</b>	<b>59</b>

### Intangible assets under development ageing schedule

Projects in progress As at March 31, 2023 As at March 31, 2022	Amount for a period of			Total
	Less than 1 Year	1-2 Years	2 - 3 Years More than 3 Years	
	-	59	-	59
	59	-	-	59

**Notes:**

- Company does not have any overdue projects as at March 31, 2023.
- Company does not have any projects where its cost has exceeded its original budget value.

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## 7. Other Non Current Financial Assets

	As at March 31, 2023	As at March 31, 2022
<b>Considered good, unsecured</b>		
Security Deposit with Others	1,012	779
Term Deposit with Banks (remaining maturity more than 12 months)	-	37
Margin Money with Banks (remaining maturity more than 12 months)	35	55
<b>Total (A)</b>	<b>1,047</b>	<b>871</b>
Gati Kausar India Limited of ₹ 10/-each (*)	8	8
Less: Impairment Allowance	(8)	(8)
<b>Total (B)</b>	<b>-</b>	<b>-</b>
<b>Total (A)+(B)</b>	<b>1,047</b>	<b>871</b>

(\*) "Gati Kausar India Limited" ceased to be a subsidiary with effect from July 14, 2021. The group has retained 7,518 number of equity shares as investment amounting to ` 8 lakhs which was fully provided in earlier years.

## 8. Deferred Tax Assets, net

	As at March 31, 2023	As at March 31, 2022
MAT Credit	10	10
Deferred Tax Assets, net	2,625	2,771
<b>Total</b>	<b>2,635</b>	<b>2,781</b>

### 8.1. Movement in Deferred Tax Assets and Liabilities during the year ended March 31, 2023 and March 31, 2022

Particulars	As at March 31, 2022	Recognised In Statement of Profit & Loss	Recognised In Equity	Others	As at March 31, 2023
<b>Deferred Tax Assets/(Liabilities)</b>					
Property, Plant and Equipment	237	(137)	-	-	100
Assets Held for Sale	-	(762)	-	-	(762)
Allowances for Expected Credit Loss	1,797	223	-	-	2,020
Employee Benefits - Gratuity and Compensated Absences	510	89	201	-	800
Other Temporary Differences	227	240	-	-	467
MAT Credit Entitlement, net	10	-	-	-	10
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>2,781</b>	<b>(347)</b>	<b>201</b>	<b>-</b>	<b>2,635</b>

Particulars	As at March 31, 2021	Recognised In Statement of Profit & Loss	Recognised In Equity	Others	As at March 31, 2022
<b>Deferred Tax Assets/(Liabilities)</b>					
Property, Plant and Equipment	717	(480)	-	-	237
Allowances for Expected Credit Loss	1,035	762	-	-	1,797
Employee Benefits - Gratuity and Compensated Absences	375	30	105	-	510
Other Temporary Differences	297	(70)	-	-	227
MAT Credit Entitlement, net	16	-	-	(6)	10
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>2,440</b>	<b>242</b>	<b>105</b>	<b>(6)</b>	<b>2,781</b>

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## 9. Tax Assets, net

	As at March 31, 2023	As at March 31, 2022
Advance tax, net	6,610	7,178
<b>Total</b>	<b>6,610</b>	<b>7,178</b>

## 10. Other Non-Current Assets

	As at March 31, 2023	As at March 31, 2022
<b>Considered good, unsecured</b>		
Capital Advance	21	29
<b>Considered doubtful, unsecured</b>		
Capital Advance	173	173
Less: Allowance for Doubtful Advances	(173)	(173)
<b>Total (A)</b>	<b>21</b>	<b>29</b>
Balances with Statutory Authorities	126	134
Prepaid Expenses	13	4
Others	-	2
<b>Total (B)</b>	<b>139</b>	<b>140</b>
<b>Total (A)+(B)</b>	<b>160</b>	<b>169</b>

## 11. Inventories

	As at March 31, 2023	As at March 31, 2022
<b>(At Lower of Cost and Net Realisable Value)</b>		
Stock-in-Trade *	300	335
Less:- Provision on Stores and Spares	(56)	(56)
<b>Total</b>	<b>244</b>	<b>279</b>

\* Consists of Petrol, Diesel &amp; Lubricants etc.,

Note: No inventories were pledged as security for liabilities during the period and previous period.

## 12. Investments

	As at March 31, 2023	As at March 31, 2022
<b>Investment at Fair Value through Profit &amp; Loss (unquoted)</b>		
Kotak Overnight Fund - Growth: Nil (March 31, 2022 - 22337.285) Units	-	253
ICICI Prudential Overnight Fund - Growth: Nil (March 31, 2022 - 221120.158) Units	-	252
Tata Overnight Fund - Growth: Nil (March 31, 2022 - 22603.20) Units	-	253
Nippon India Overnight Fund - Growth: Nil (March 31, 2022 - 222632.61) Units	-	253
<b>Total</b>	<b>-</b>	<b>1,011</b>
Aggregate Market Value of Unquoted Investments	-	1,011
Aggregate Carrying Cost of Unquoted Investments	-	1,004

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## 13. Trade Receivables

	As at March 31, 2023	As at March 31, 2022
<b>Unsecured</b>		
Considered Good, unsecured	30,547	25,643
Credit Impaired	3,439	3,425
<b>Total</b>	<b>33,986</b>	<b>29,068</b>
Less: Allowances for expected credit loss (Refer Note: 43C(i)(a))	7,308	5,835
<b>Total</b>	<b>26,678</b>	<b>23,233</b>

### Trade Receivable ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from the due date of payment						Total
	Not due	Less than 6 months	6 months - 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
i) Undisputed Trade Receivable - Considered good	14,160	12,820	1,470	1,536	561	-	30,547
ii) Undisputed Trade Receivable - Credit impaired	-	-	-	-	-	219	219
iii) Disputed Trade Receivable - Considered good	-	-	-	-	-	-	-
iv) Disputed Trade Receivable - Credit impaired	-	-	-	-	143	3,077	3,220
<b>Gross Trade Receivables</b>	<b>14,160</b>	<b>12,820</b>	<b>1,470</b>	<b>1,536</b>	<b>704</b>	<b>3,296</b>	<b>33,986</b>
Less: Allowances for Expected Credit Loss							(7,308)
<b>Balance as at March 31, 2023</b>							<b>26,678</b>

### Trade receivable ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from the due date of payment						Total
	Not due	Less than 6 months	6 months - 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
i) Undisputed Trade Receivable - Considered good	9,592	13,633	1,176	794	164	-	25,359
ii) Undisputed Trade Receivable - Credit impaired	-	-	-	-	-	105	105
iii) Disputed Trade Receivable - Considered good	-	-	-	-	17	267	284
iv) Disputed Trade Receivable - Credit impaired	-	-	-	244	364	2,712	3,320
<b>Gross Trade Receivables</b>	<b>9,592</b>	<b>13,633</b>	<b>1,176</b>	<b>1,038</b>	<b>545</b>	<b>3,084</b>	<b>29,068</b>
Less: Allowances for Expected Credit Loss							(5,835)
<b>Balance as at March 31, 2022</b>							<b>23,233</b>

#### Note:

- i) No Trade receivables are due from directors and other officers of the Company either severally or jointly with any other person.
- ii) The Carrying amount of trade receivables is pledged as security for borrowings. (Refer Note 24)
- iii) Trade Receivables are non interest bearing and are generally on terms of 30 to 90 days.

## 14A. Cash and Cash Equivalents

	As at March 31, 2023	As at March 31, 2022
Balances with Banks:		
In Current Accounts	1,878	1,504
Term deposits with bank (original maturities less than 3 months)	-	57
Cash on hand	15	20
<b>Total</b>	<b>1,893</b>	<b>1,581</b>

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## 14B. Other Bank Balances

	As at March 31, 2023	As at March 31, 2022
Term deposits with bank (original maturities more than 3 months but less than 12 months) #	7,637	155
Margin money with bank (original maturities more than 3 months but less than 12 months)	67	17
Unpaid Dividend account	55	64
<b>Total</b>	<b>7,759</b>	<b>236</b>

# Term deposits of ₹ 2,200 lakhs held by the Company for the Air India Limited litigation matter are restricted and not available for general use in the Company's funds.

## 15. Other Current Financial Assets

	As at March 31, 2023	As at March 31, 2022
<b>Considered good, unsecured</b>		
Security Deposits with Others	1,489	1,577
Other Advances Receivable	803	162
Accrued Interest on Deposits, Loan and Investments	100	12
Inter-Corporate Deposits (ICD's)	23	-
Earnest Money Deposits	6	10
Advance to Employees	10	8
Loans to Others	-	3
<b>Total (A)</b>	<b>2,431</b>	<b>1,772</b>
<b>Considered doubtful, unsecured</b>		
Loan Receivable with Credit Impaired	164	164
Less: Allowance for Doubtful Loans	(164)	(164)
Other Advances Receivable	2,327	2,321
Less: Allowance for Doubtful Receivable	(2,327)	(2,321)
<b>Total (B)</b>	<b>-</b>	<b>-</b>
<b>Total (A)+(B)</b>	<b>2,431</b>	<b>1,772</b>

## 16. Other Current Assets

	As at March 31, 2023	As at March 31, 2022
<b>Considered good, unsecured</b>		
Advance against Supply of Goods and Services	1,457	1,726
<b>Considered doubtful, unsecured</b>		
Advance against Supply of Goods and Service	458	455
Less: Allowance for Doubtful Advances	(458)	(455)
<b>Total (A)</b>	<b>1,457</b>	<b>1,726</b>
Prepaid Expenses	500	594
Balances with Government Authorities	1,148	824
Others	8	184
<b>Total (B)</b>	<b>1,656</b>	<b>1,602</b>
<b>Total (A)+(B)</b>	<b>3,113</b>	<b>3,328</b>

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## 17. Assets Held for Sale

	As at March 31, 2023	As at March 31, 2022
<b>A) Property, Plant &amp; Equipment</b>		
Land & Building	7,388	12,819
Plant & Machinery	-	59
Furniture & Fixtures	-	327
Office Equipment	-	47
Commercial Vehicles	-	12
<b>Total</b>	<b>7,388</b>	<b>13,264</b>

Note - In addition to the above mentioned Assets Held for Sale, management has identified three more non-core immovable properties for monetisation purposes which are presently grouped under Property, Plant and Equipment. The Board of Directors has approved the sale of these three properties during the meeting held on May 19, 2023, amounting to ₹ 681 lakhs.

	As at March 31, 2023		As at March 30, 2022	
	Number / Units	Amount	Number / Units	Amount
<b>B) Investments</b>				
<b>Investment in an Associate</b>				
Gati Ship Limited of ₹ 10/- each	48,00,000	8,623	48,00,000	8,623
Less: Impairment Allowance		(8,623)		(8,623)
<b>Total</b>		-		-

**Note:** The Board has taken necessary steps and negotiation is ongoing with the prospective buyers for disposal of the above Property Plant & Equipment and investments and transaction is expected to be concluded in next one year.

## 18. Share Capital

	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
<b>Authorized share capital</b>				
Equity Shares of ₹ 2/- each	17,50,00,000	3,500	17,50,00,000	3,500
		<b>3,500</b>		<b>3,500</b>
<b>Issued equity capital</b>				
Equity Shares of ₹ 2/- each fully paid up	13,01,30,117	2,603	12,29,68,997	2,459
		<b>2,603</b>		<b>2,459</b>
<b>Subscribed and fully paid-up:</b>				
Equity Shares of ₹ 2/- each fully paid up	13,01,30,117	2603	12,29,68,997	2459
	<b>13,01,30,117</b>	<b>2,603</b>	<b>12,29,68,997</b>	<b>2,459</b>

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
<b>Shares at the beginning of the year</b>	12,29,68,997	2,459	12,19,45,977	2,439
Add: Shares issued on allotment during the year (Refer Note 19(f))	71,61,120	144	10,23,020	20
<b>Shares at the end of the year</b>	<b>13,01,30,117</b>	<b>2,603</b>	<b>12,29,68,997</b>	<b>2,459</b>

### b) Terms /Rights attached to Shareholders

The Company has only one class of issued shares i.e. Equity Shares having par value of ₹ 2/- per share. Each holder of Equity Shares is entitled to one vote per share and ranks pari passu. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	% Holding	No. of Shares	% Holding
Allcargo Logistics Limited	6,53,30,095	50.20%	5,81,68,975	47.30%
Mr. Mukul Mahavir Agrawal	70,00,000	5.38%	63,01,596	5.12%
<b>Total</b>	<b>7,23,30,095</b>	<b>55.58%</b>	<b>6,44,70,571</b>	<b>52.43%</b>

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

- d) The Company has neither allotted any equity shares for consideration other than cash nor has issued any bonus shares nor has bought back any shares during the period of five years preceding the date at which Balance Sheet is prepared.
- e) No calls are unpaid by any directors or officers of the Company during the year.
- f) No Equity Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment as at the Balance Sheet date.

## g) Details of shares held by promoters

Sl. No.	Name of the Promoter	As at March 31, 2023		As at March 31, 2022		% Change during the Year
		Number of Shares holding	% of Shareholding	Number of Shares holding	% of Shareholding	
1	Allcargo Logistics Limited (effective from April 08, 2020)	6,53,30,095	50.20	5,81,68,975	47.30	12%
2	Neera And Children Trust	23,15,889	1.78	23,15,889	1.88	-
3	Mahendra Kumar Agarwal	6,98,503	0.54	15,45,735	1.26	-55%
4	Tci Finance Limited	4,88,347	0.38	5,79,998	0.47	-16%
5	Mahendra Kumar Agarwal & Sons HUF	68,000	0.05	5,46,083	0.44	-
6	Mahendra Investment Advisors Private Limited	1,51,577	0.12	1,51,577	0.12	-
7	Jubilee Commercial & Trading Private Limited	20,000	0.02	1,49,823	0.12	-87%
8	Dhruv Agarwal Benefit Trust	8,750	0.01	8,750	0.01	0%
9	Manish Agarwal Benefit Trust	24,728	0.02	24,728	0.02	-
10	Bunny Investments & Finance Private Limited	-	0.00	40,000	0.03	-100%
	<b>Total</b>	<b>6,91,05,889</b>	<b>53.12</b>	<b>6,35,31,558</b>	<b>51.65</b>	

**Note** : During the year, the following Promoter and Promoter Group members have applied for reclassification from "Promoter and Promoter Group" category to "Public" category under Regulation 31A of SEBI LODR Regulations, 2015:-

- 1) Mahendra Kumar Agarwal
- 2) Mahendra Kumar Agarwal & Sons HUF
- 3) TCI Finance Limited
- 4) Mahendra Investment Advisors Private Limited
- 5) Jubilee Commercial & Trading Private Limited
- 6) Bunny Investments And Finance Private Limited

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## 19. Other Equity

	As at March 31, 2023	As at March 31, 2022
a) Securities Premium	41,924	35,067
b) General Reserve	10,505	10,505
c) Capital Reserve	2,084	2,084
d) Tonnage Tax Reserve (Utilized)	929	929
e) Share based payment reserve (ESARs - Equity)	1,649	56
f) Special Reserve	14,707	14,707
g) Retained Earning	(12,934)	(11,572)
h) Money received against share warrants	-	1,750
<b>Total</b>	<b>58,864</b>	<b>53,526</b>

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

**a) Securities Premium :**

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

**b) General Reserve :**

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

**c) Capital Reserve :**

Capital Reserve includes amount received on allotment of convertible warrants was forfeited and transferred to Capital Reserve Account.

**d) Tonnage Tax Reserve (Utilised) :**

This reserve is a statutory reserve which is created and company had utilized in accordance with the provisions of Section 115VT of Income tax Act 1961.

**e) Share based payment Reserve :**

The share based payment reserve is used to record the value of equity-settled share based payment transactions with employees. The amount recorded in this reserve is transferred to securities premium upon exercise of stock appreciation rights options by employees. The amount outstanding in the "Share based payment reserve" will be transferred to "General Reserve", when the options are lapsed / cancelled .

**f) Money received against Share Warrants**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening Balance	1,750	-
Add - Received during the year	5,250	1,750
Less - Converted during the year	(7,000)	-
<b>Closing Balance</b>	<b>-</b>	<b>1,750</b>

During the current year, the Board of Directors of the Company have approved the allotment of 71,61,120 (Seventy One Lacs Sixty One Thousand One Hundred and Twenty) Equity Shares of a face value of ₹ 2/- (Rupees Two Only) fully paid up, to Allcargo Logistics Limited, Promoter of the Company, pursuant to the exercise of options attached to the Warrants allotted on June 17, 2021 and upon the receipt of balance 75% of the subscription money. Consequent to above allotment, the paid-up equity shares capital of the Company has increased from ₹ 24,59,37,994/- (Rupees Twenty Four Crores Fifty Nine Lacs Thirty Seven Thousand Nine Hundred and Ninety Four Only) divided into 12,29,68,997 (Twelve Crores Twenty Nine Lacs Sixty Eight Thousand Nine hundred and Ninety Seven) Equity Shares of face value of ₹ 2/- (Rupees Two Only) each to ₹ 26,02,60,234/- (Rupees Twenty Six Crores Two Lacs Sixty Thousand Two hundred and Thirty Four Only) divided into 13,01,30,117 (Thirteen Crores One Lac Thirty Thousand One Hundred and Seventeen) Equity Shares of face value of ₹ 2/- (Rupees Two Only) each.

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## g) Special Reserve:

The Hon'ble Andhra Pradesh High Court, approved the Scheme of Arrangement for amalgamation. (The Scheme) vide its Order dated March 19, 2013 which 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 ₹ 55,554 Lakhs to be utilized by the Company to adjust therefrom any capital losses arising from transfer of assets and certain other losses, any balance remaining in the Special Reserve shall be available for adjustment against any future permanent diminution in the value of assets and exceptional items etc. as specified in the Scheme as the Board of directors may deem fit.

## h) Retained Earnings:

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

## 20. Non Current Borrowings

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non - Current	Current Maturities	Non - Current	Current Maturities
<b>Secured</b>				
i) Term Loan from Banks	-	-	720	219
ii) Vehicle Loan from Banks	1	10	30	41
iii) Vehicle Loan from Others	-	-	-	14
<b>Total (A)</b>	<b>1</b>	<b>10</b>	<b>750</b>	<b>274</b>
<b>Unsecured</b>				
Fixed Deposits from Public	-	99	104	299
<b>Total (B)</b>	<b>-</b>	<b>99</b>	<b>104</b>	<b>299</b>
<b>Total (A)+(B)</b>	<b>1</b>	<b>109</b>	<b>854</b>	<b>573</b>

### Particulars of Nature of security:

- Vehicle loans from Banks & other financial institutions carrying interest rates ranging between 8.30% - 10% and last tranche is repayable by the end of July 2024. Vehicles are hypothecated against these loans.
- Term loans from the bank which is secured by current assets has been repaid by the Company during the current year.

## 21. Lease Liabilities

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non - Current	Current Maturities	Non - Current	Current Maturities
<b>Secured</b>				
Lease Obligation	16,052	3,575	14,005	3,196
<b>Total</b>	<b>16,052</b>	<b>3,575</b>	<b>14,005</b>	<b>3,196</b>

### Notes:

- The Company has lease contracts for certain items of Computers, Vehicles, Land & Buildings. The Company's obligations under leases are secured by the lessor's title to the leased assets.

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## (b) Movement in lease liabilities during the year ended March 31, 2023

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Lease liabilities at the beginning of the year</b>	17,201	7,177
Recognition of right-of-use liability during the year	6,733	12,814
Interest cost accrued during the year	1,650	985
Payment of lease liabilities including interest	(5,044)	(2,661)
Decognition of right-of-use liability during the year	(913)	(44)
Adjustment on loss of control in Gati Kausar India limited	-	(1,070)
<b>Lease liabilities at the end of the year</b>	<b>19,627</b>	<b>17,201</b>

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Total cash outflow for leases</b>	<b>5,044</b>	<b>2,661</b>

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

Particulars	As at March 31, 2023	As at March 31, 2022
Not later than one year	5,073	4,566
Later than one year but not later than five years		
1-2 years	4,432	3,507
2-3 years	3,819	2,709
3-4 years	3,029	2,419
4-5 years	2,301	1,906
Later than five years	10,306	11,875
<b>Total</b>	<b>28,960</b>	<b>26,982</b>

(e) Lease payments for less than 1 year lease contracts as well as for low value items for the year ended March 31, 2023 is ₹ 3,612 Lakhs (March 31, 2022 - ₹ 5,467 Lakhs) (included in other expenses and operating expenses).

## 22. Other Non Current Financial Liabilities

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest accrued but not due on borrowings	-	12
<b>Total</b>	<b>-</b>	<b>12</b>

## 23. Provisions

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non- Current	Current	Non- Current	Current
<b>Employee Benefits</b>				
Gratuity (Refer Note 39)	1,500	825	1,172	301
Compensated Absences (Refer Note 39)	420	496	369	228
<b>Total</b>	<b>1,920</b>	<b>1,321</b>	<b>1,541</b>	<b>529</b>

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## 24. Current Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
i) Working Capital facilities from Banks		
Cash Credit	12,340	13,806
ii) Current Maturities of Long term Borrowings	109	573
<b>Total</b>	<b>12,449</b>	<b>14,379</b>

- a) Working Capital Borrowings in rupees is secured by book debts and of the Company on pari-passu charge with all working capital lenders under multiple banking arrangement. Weighted average rate of interest is 7.37%.
- b) In case of one of the subsidiary "GATI Kintetsu Express Private Limited" where the Company has been sanctioned working capital facilities from banks on the basis of security of current assets. The Company has filed quarterly returns/ statements with such banks are in agreement with the books of account set below for FY 2022-23.

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

### c) Reconciliation of liabilities arising from financing activities

Particulars	Year ended March 31, 2023		
	Public Deposits	Short Term Borrowings	Long Term Borrowings *
<b>Balance as at March 31, 2022</b>	<b>404</b>	<b>13,806</b>	<b>1,024</b>
Borrowings repaid during the year	-	-	(1,013)
Proceeds/(Repayment) of Short term borrowings (Net)	-	(1,466)	-
Repayment of Fixed deposits from Public repaid during the year	(306)	-	-
<b>Balance as at March 31, 2023</b>	<b>99</b>	<b>12,340</b>	<b>11</b>

(\*)Includes current maturities of long term borrowings

Particulars	Year ended March 31, 2022		
	Public Deposits	Short Term Borrowings	Long Term Borrowings *
<b>Balance as at March 31, 2021</b>	<b>663</b>	<b>14,516</b>	<b>12,423</b>
Borrowings repaid during the year	(259)	-	(11,399)
Proceeds/(Repayment) of Short term borrowings (Net)	-	(710)	-
Repayment of Fixed deposits from Public repaid during the year	-	-	-
<b>Balance as at March 31, 2022</b>	<b>404</b>	<b>13,806</b>	<b>1,024</b>

(\*)Includes current maturities of long term borrowings

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## d) Evaluation of financial covenant compliance and key performance indicators

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

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

- e) The Company had uncommitted lines of credit of ₹ 10,160 lakhs and ₹ 6,194 lakhs as at March 31, 2023 and March 31, 2022, respectively, from its banks for working capital requirements. The Company draw upon these lines of credit based on its working capital requirements.

## 25. Trade Payables

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Total Outstanding dues of micro and small enterprises (Refer Note 41)	1,128	1,570
Total Outstanding dues of creditors other than micro and small enterprises	8,387	8,606
<b>Total</b>	<b>9,515</b>	<b>10,176</b>

### Trade payables ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from the due date of payment				
	Less than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	Total
i) Undisputed MSME	1,124	4	-	-	1,128
ii) Undisputed Others	8,207	-	48	132	8,387
	<b>9,331</b>	<b>4</b>	<b>48</b>	<b>132</b>	<b>9,515</b>

### Trade payables ageing schedule as at March 31, 2022

Particulars	Outstanding for following periods from the due date of payment				
	Less than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	Total
i) Undisputed MSME	1,553	17	-	-	1,570
ii) Undisputed Others	7,603	477	413	113	8,606
	<b>9,156</b>	<b>494</b>	<b>413</b>	<b>113</b>	<b>10,176</b>

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## 26. Other Current Financial Liabilities

	As at March 31, 2023	As at March 31, 2022
Security Deposits	2,689	3,169
Interest Accrued but not due on Borrowings	16	17
Unpaid Dividends	55	64
Employee Related Liabilities	1,993	2,120
Unpaid matured deposits and interest accrued thereon *	71	87
Liability towards guarantee invoked #	2,360	2,360
Others	5,900	4,400
<b>Total</b>	<b>13,084</b>	<b>12,217</b>

# The Company had made a provision of ₹ 2,360 lakhs to account for the potential liability arising from the corporate guarantee provided to Gati Infrastructure Private Limited (GIPL) in relation to the consortium loan from IDFC Bank.

\* The Company is currently in the process of making payment to the IEPF (Investor Education and Protection Fund) account for the outstanding public deposit funds and the corresponding accrued interest amounting to ₹ 14 lakhs. This action is being undertaken in compliance with regulatory requirements to ensure the rightful return of these funds to the depositors.

## 27. Other Current Liabilities

	As at March 31, 2023	As at March 31, 2022
Statutory Liabilities	1,510	1,610
Others	232	843
<b>Total</b>	<b>1,742</b>	<b>2,453</b>

## 28. Revenue From Operations

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Sale of Services</b>		
Freight, E-Commerce and Miscellaneous services	1,46,300	1,25,689
<b>Sale of Products</b>		
Sale of Diesel, Petrol and Lubricants & Others	25,444	22,785
<b>Total (A)</b>	<b>1,71,744</b>	<b>1,48,474</b>
<b>Other Operating Revenue</b>		
Others	573	520
<b>Total (B)</b>	<b>573</b>	<b>520</b>
<b>Total (A)+(B)</b>	<b>1,72,317</b>	<b>1,48,994</b>

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

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Revenue based on product &amp; services</b>		
a) Express Distribution	1,46,019	1,25,409
b) Fuel Stations	25,444	22,828
c) Others	281	237
Other Operating Revenues	573	520
<b>Total</b>	<b>1,72,317</b>	<b>1,48,994</b>

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Revenue based on Geography</b>		
India	1,72,317	1,48,994
Overseas	-	-
<b>Total</b>	<b>1,72,317</b>	<b>1,48,994</b>
<b>Reconciliation of Revenue from Operation with contract price</b>		
Revenue as per contract price	1,77,251	1,53,299
<b>Less:</b>		
Discounts	(207)	(126)
Credit Notes	(2,447)	(2,145)
Unsatisfied Performance Obligation	(2,853)	(2,554)
<b>Revenue from Operations</b>	<b>1,71,744</b>	<b>1,48,474</b>

## Transaction Price - Unsatisfied Performance Obligation

The Company's unsatisfied performance obligations mainly arises on account of undelivered shipments. The aggregate value of transaction price allocated to the unsatisfied performance obligations as at March 31, 2023 is ₹ 2,853 lakhs, which is expected to be recognised during next year after delivery of shipments.

## B. Contract Balances

	As at March 31, 2023	As at March 31, 2022
Contract Assets	1,653	655
Trade Receivables	32,333	28,413
Less: Impairment Allowances	(7,308)	(5,835)
<b>Total</b>	<b>26,678</b>	<b>23,233</b>

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognised as revenue as and when the performance obligation is satisfied.

## 29. Other Income

	Year ended March 31, 2023	Year ended March 31, 2022
Interest income		
On Deposit with Bank and Others	225	40
On Refund of Income Tax	158	275
On Unwinding of Other Financial Assests	89	17
Rental Income	53	135
Foreign Exchange Gain, net	-	2
Profit on Disposal of Property, Plant and Equipment, net	21	-
Gain on Sale of Investments, net	-	1
Liabilities no longer required - written back	1,684	1,014
Gain on Lease Modification, net	22	-
Gain on Sale of Mutual Funds, net	8	12
Gain on Investments measured at FVTPL, net	-	7
Miscellaneous Income, net	27	27
<b>Total</b>	<b>2,287</b>	<b>1,530</b>

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## 30. Operating Expenses

	Year ended March 31, 2023	Year ended March 31, 2022
Freight	94,957	83,432
Fleet Running Expenses	-	644
Owned Vehicles Operating Cost	2,328	2,161
Handling Charges	4,528	2,390
Supply Chain Management Services	2,803	2,864
Claims for Loss & Damages, net	120	230
Vehicle's Taxes	27	32
Vehicle's Insurance	22	26
Power, Fuel and Water Expenses	-	38
Stores and Spare Parts Consumed	-	22
Other Operating Expenses	1,169	857
<b>Total</b>	<b>1,05,954</b>	<b>92,696</b>

## 31. Changes in Inventories of Stock-in-Trade

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Opening Stock</b>		
Stock-in-trade	280	333
	<b>280</b>	<b>333</b>
<b>Closing Stock</b>		
Stock-in-trade	(244)	(280)
(Allowances as at March 31, 2023 - ₹ 56 lakhs, (March 31, 2022 - ₹ 56 lakhs))		
	<b>(244)</b>	<b>(280)</b>
<b>(Increase) / Decrease in Inventories of Stock-in-trade, net of allowances</b>	<b>36</b>	<b>53</b>

**Note:**

Consumption of stores and spares in a subsidiary "Gati Kausar India Limited", has been considered in other expenses.

## 32. Employee Benefit Expense

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, Wages & Bonus	16,243	14,271
Contribution to Provident and other Funds (Refer Note 39)	1,167	1,041
Share Based Payment Expenses	924	34
Staff Welfare Expenses	481	459
<b>Total</b>	<b>18,815</b>	<b>15,805</b>

**Note:**

The Group measures the cost of employee share based scheme and recovers this amount from the Gati Kintetsu Express Private Limited (Subsidiary of Gati Ltd). A charge of ₹ 924 lakhs (March 31, 2022 - ₹ 34 lakhs) has been allocated for compensation cost related to share-based payments, reflecting the grant of stock options to certain specific employees of the Group.

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## 33. Finance Costs

	Year ended March 31, 2023	Year ended March 31, 2022
Interest Expense		
On Term Loans and Working Capital Loans	1,251	1,673
On Public Deposits	30	54
On Lease Obligation	1,650	985
Others	5	20
<b>Total</b>	<b>2,936</b>	<b>2,732</b>

## 34. Depreciation and Amortization Expense

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on Property, Plant and Equipment (Refer Note 3A)	1,283	1,337
Depreciation on Right-of-use Asset (Refer Note 3B)	4,500	1,981
Amortisation of Intangible Assets (Refer Note 5)	138	174
<b>Total</b>	<b>5,921</b>	<b>3,492</b>

## 35. Other Expenses

	Year ended March 31, 2023	Year ended March 31, 2022
Lease Rentals	3,164	4,208
Rates and Taxes	417	317
Insurance	136	184
Telephone Expenses	49	38
Printing and Stationery	369	292
Travel and Conveyance	570	296
Professional and Consultancy Charges	1,511	1,512
Advertisements	435	135
Electricity Expenses	849	766
Office Maintenance	2,172	1,708
Bank Collection Charges	-	7
Directors' Sitting Fees *	9	12
Corporate Social Responsibility Expenditure ( Refer Note 35.2)	12	12
Auditors' Remuneration (Refer Note 35.1)	68	51
Allowance for Expected Credit Loss	2,555	1,731
Bad debts and Irrevocable Balances Written off	1,104	112
Less: Provision for loss allowances recognised in earlier years	(1,082)	(62)
Bad debts Written off-Others	124	51
Provision on Stock-in-Trade	-	42
Management Fee	624	568
Impairment loss on Property, Plant and Equipment	-	5
Allowance for Other Financial Assets	30	13
Allowance for Capital advances	-	14
Automation Network Expenses	600	500
Foreign Exchange Loss, net	2	-

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## 35. Other Expenses (Contd.)

	Year ended March 31, 2023	Year ended March 31, 2022
Repairs and Maintenance		
Vehicles	97	130
Plant and Equipment	119	101
Buildings	16	26
Computers	889	803
Others	32	31
Loss on Disposal of Property, Plant and Equipment, net	4	238
Loss on Disposal of Non-core Assets, net	-	78
Loss on Lease Modification, net	-	47
Miscellaneous Expenses, net	889	873
<b>Total</b>	<b>15,764</b>	<b>14,839</b>

\* Refer Note 46 for Related party information

### 35.1 Auditors' Remuneration

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Statutory Audit fees	44	26
Limited review of quarterly results	20	19
Certification fees and other services	1	5
Reimbursement of out of Pocket Expenses	3	1
<b>Total</b>	<b>68</b>	<b>51</b>

### 35.2 Corporate Social Responsibility Expenditure

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

- During the year, the Group has incurred ₹ 12 lakhs (March 31, 2022 ₹ 12 lakhs) on account of Corporate Social Responsibility (CSR) included under Other Expenses.
- Gross Amount required to be spent by the Company during the year is ₹ 12 lakhs.
- Amount of ₹ 12 lakhs, approved by the board to be spent during the year.
- Amount spent during the year on:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) Construction/acquisition of any asset	-	-
(ii) 'On purpose other than (i) above	12	12
<b>Total</b>	<b>12</b>	<b>12</b>

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## (e) Unspent Amount:

Particulars	Year ended March 31, 2023
<b>Opening Balance as at April 01, 2022</b>	-
Amount deposited in specified fund of schedule VII within 6 months	-
Amount required to be spent during the year	12
Less - Amount spent during the year	(12)
<b>Closing Balance as at March 31, 2023</b>	-

## 36. Exceptional Items

	Year ended March 31, 2023	Year ended March 31, 2022
Loss on write off of Property, Plant and Equipment (Net) (Refer Note (a))	(792)	-
Impairment Charged of Property, Plant & Equipment (Refer Note (b))	(345)	(524)
Net Gain on disposal of Non-core Assets (Refer Note (c))	704	-
Impairment (Charged)/Reversed in the realisable value of Non-core Assets (Refer Note (d))	529	(1,302)
Severance fees payment on disposal of investment in GKIL (Refer Note (d))	-	(1,305)
Gain on disposal of investment in GKIL (Refer Note (d))	-	5
Gain on Loss of Control of GKIL (Refer Note (d))	-	6,013
GST provision expenses related to exempt GTA services (Refer Note (e))	-	(1,682)
<b>Total</b>	<b>96</b>	<b>1,205</b>

### The Exceptional items (non-recurring) represents :

- A loss on write off of ₹ 792 lakhs in Property, Plant and Equipment is on account of discardment of Property, Plant and Equipment which have outlived their useful life and those which are no longer required for business operations.
- Impairment allowance of ₹ 345 lakhs (March 31, 2022 - ₹ 524 lakhs) has been provided in books on account of diminution in the fair value of Property, plant & Equipment.
- Fair value of the assets sold during the year and proposed to be sold which is disclosed as "Assets held for Sale" results in Gain/(Loss) of ₹ 1,233 lakhs (March 31, 2022 - ₹ (1,302) lakhs).
- Disposal of Subsidiary i.e. Gati Kausar India Limited ("GKIL"), by way of entering into Share Purchase Agreement ("SPA") among the Contracting Parties i.e. (i) Company as a Promoter, (ii) Mandala Capital AG Limited as an Investor, and (iii) GKIL as a Company. Pursuant to the aforesaid SPA, the Company has transferred its 69.79% equity holding in GKIL to Mandala Capital AG Limited for the sale consideration of ₹ 5 lakhs on July 14, 2021. With this aforementioned transfer, GKIL has ceased to be the Company's Subsidiary with effect from July 14, 2021. As a part of transaction one-time severance fees of ₹ 1,305 lakhs was also paid from Gati limited to GKIL as per the terms of share purchase agreement.
- During the previous financial year, management had provided a GST related expense provision of ₹ 1,683 lakhs pertaining to earlier years based on a prudent management estimate. Out of the above the Company had paid ₹ 494 lakhs in FY 2021-2022.

## 37. Tax Expenses

	Year ended March 31, 2023	Year ended March 31, 2022
Profit Before Tax	530	(50)
<b>Income Tax recognised in Statement of Profit and Loss</b>		
Current Tax	1,313	231
Deferred Tax	347	(242)
Tax related earlier years	(39)	404
<b>Total</b>	<b>1,621</b>	<b>393</b>

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## 37. Tax Expenses

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Income Tax recognised in Other Comprehensive Income</b>		
Deferred tax expenses on Re-Measurement gains/(losses) on defined benefit plans	(201)	(105)
<b>Total</b>	<b>(201)</b>	<b>(105)</b>
<b>Grand Total</b>	<b>1,420</b>	<b>288</b>

### 37.1 Reconciliation of Income Tax expense for the year with book profits

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before Tax	530	(50)
Applicable Tax Rate	27.82%	27.82%
Tax Expense	<b>147</b>	<b>(14)</b>
<b>Tax Effect of :</b>		
Non-deductible expenses for tax purpose	4	92
Tax on sale of Capital assets	320	-
Non recognition of Deferred Tax Asset	194	-
Others	956	315
<b>Tax Expense in Statement of Profit and Loss</b>	<b>1,621</b>	<b>393</b>
Effective Tax Rate	306%	(792%)

## 38. Contingent liabilities and commitments

(i) Contingent liabilities (to the extent not provided for)	As at March 31, 2023	As at March 31, 2022
<b>(a) Claim against the Company not acknowledged as debt</b>		
(i) Income tax Demand disputed in appeals and others (includes amount paid under protest and adjustments of ₹ 2,970 lakhs, previous year - ₹ 2,970 lakhs)	3,774	3,774
(ii) Indirect Tax demand disputed in appeals (Includes amount paid under protest ₹ 43 Lakhs, previous year - ₹ 11 Lakhs) (##)	4,768	4,768
(iii) Others	609	586
<b>Total</b>	<b>9,151</b>	<b>9,128</b>

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

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an on-going basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable. The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows. It is not practicable for the Company to estimate the timings of the cash outflows, if any, pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the same.

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

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

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

## # Other Claims

The Group is involved in legal proceedings, both as plaintiff and as defendant. There are claims which the Company does not believe to be of a material nature, other than those described below:

### A) IDFC Matter

IDFC Bank Limited. Vs. Gati Limited. (OA 6 of 2017), DRT, Delhi: Gati Limited. provided a corporate guarantee of ₹ 2,360 lakhs for a consortium loan taken by Gati Infrastructure Pvt. Limited. (GIPL) from IDFC Bank. As a result, IDFC Bank filed a recovery case with the Debt Recovery Tribunal (DRT) in Delhi.

Initially, the DRT issued an interim order restraining Gati Limited. from disposing of its properties. However, this order was subsequently set aside by the Debt Recovery Appellate Tribunal (DRAT) on April 11, 2022.

In compliance with the DRT's order, Gati Limited. has submitted details of five properties with an approximate value of ₹ 3,100 lakhs as security against the suit value. Gati Limited. has also filed an application with the DRT, Delhi, seeking the replacement of this security with a Bank Guarantee. However, the application is still pending listing and hearing before the DRT.

### B) AIR India Matter

A wet lease freighter agreement ("WLA") dated May 16, 2007 was entered into between GATI Ltd. ("GATI") and Indian Airlines Ltd. ("Air India") for lease of 5 (five) freighter Boeing 737-200 aircrafts for five years w.e.f. July 15, 2007 till July 14, 2012. Air India could not perform its obligation under WLA and as a result GATI has stopped payments to Air India, terminated the WLA vide letter dated March 17, 2009 and invoked Arbitration vide letter March 19, 2009.

The Arbitration Tribunal ("AT") passed the award dated September 17, 2013 and directed Air India to pay a net sum of ₹ 2,682 Lakhs towards claims, damages, interest and costs etc. Air India filed an appeal before the Single Bench of Hon'ble Delhi High court ('DHC') challenging the award of the Arbitrator in the year 2015.

DHC disposed of the appeal vide order dated July 7, 2015, upholding the award of the AT in all other aspects except the claim for damages of ₹ 497 Lakhs and asked Air India to deposit ₹ 2,200 Lakhs which was deposited on April 27, 2015 against which an immovable property was given as collateral by the Company. Based on the application made by the Company for release of the collateral, the Hon'ble High Court of Delhi, vide the order dated April 18, 2022, released the said immovable property in lieu of a Bank Guarantee of an equivalent amount (with 100% margin) as security.

Air India filed appeal before the Division Bench of the DHC challenging the award. GATI also filed appeal before Division Bench of DHC in respect of ₹ 497 Lakhs which was an ongoing dispute so far. During the continuance of dispute, Company has signed an out of court settlement with AIR India on May 18, 2023, pertaining to this ongoing legal matter before the Hon'ble Delhi High Court.

Further, Company is in process of filing a petition before the court seeking the withdrawal of the aforementioned case, and consequent release of the Bank guarantee amounting to ₹ 2,200 lakhs, which is equivalent to the arbitral award under dispute.

### C) Neera Children Trust ('NCT') Vs. Gati Limited. & 29 Ors. (NCLT 535 of 2019), NCLT Hyderabad

Neera Children Trust (NCT) has filed a case alleging oppression and mismanagement against Gati Limited. and its Promoters & Directors. During the proceedings, various Interim Applications (IA) were filed by different parties, addressing matters of maintainability, waiver, legality of postal ballot, shifting of the registered office, and addition of other respondents.

Gati Limited. has responded to the interim reliefs sought by NCT, and their counter has been taken on record. Gati Limited. filed an Interim Application (IA) requesting the shift of the registered office from Telangana to Maharashtra, which was granted by the National Company Law Tribunal (NCLT) through an order dated April 25, 2023.

As per the said order, Gati Limited. has been directed to file an application (Form INC 23) and provide the necessary information to the Regional Director (RD). The RD has been instructed to make an unbiased decision within 15 days of receiving the application. The main petition is scheduled for a hearing on July 25, 2023. The final resolution and potential impact of this litigation case on Gati Limited.'s financial position are subject to the outcome of the proceedings in the National Company Law Tribunal (NCLT) in Hyderabad. The NCLT's decision will determine the implications for Gati Limited.'s financial standing. It is important to note that until the NCLT reaches a verdict, the ultimate impact on Gati Limited.'s financial position cannot be determined with certainty. The Group will continue to monitor the proceedings and assess any potential financial implications accordingly.

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

- (b) **Bank Guarantee (\*)** 500 421  
 (\*) Bank Guarantee is issued to meet certain business obligations towards government agencies and certain customers.
- (c) There has been a Supreme Court (SC) judgement dated February 28, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. From the previous year ended March 31, 2022, Group is in compliance with same. The Group will continue to assess any further developments in this matter for the implications on financial statements, if any. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, was not ascertainable and consequently no effect was given in the accounts.
- (d) The Code on Social Security, 2020 (Code) related to employee benefits during employment and post-employment received Presidential assent in September 2020. The Code has been published in the Gazette of India; however, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. However, the Group envisages that the impact of the above would not be material.

## (ii) Commitments

Particulars	As at March 31, 2023	As at March 31, 2022
Commitment for acquisition of Property, Plant & Equipments (Net of advances)		
Towards Property, Plant & Equipment	82	850
<b>Total</b>	<b>82</b>	<b>850</b>

## 39. Disclosure as required under Ind AS 19 on Employee Benefits:

Defined Benefit Obligation	As at March 31, 2023	As at March 31, 2022
<b>Statement of Assets and Liabilities for defined benefit obligation</b>		
Present value of funded obligations	(2,361)	(1,671)
Fair value of plan assets	36	198
<b>Net defined benefit liability recognised</b>	<b>(2,325)</b>	<b>(1,473)</b>

### Defined contribution

The expense for defined contribution plans amounted to ₹ 929 lakhs and ₹ 812 lakhs for the year ended March 31, 2023 and March 31, 2022 respectively.

### Defined benefits - Gratuity

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

These defined benefit plans expose the Group to actuarial risks, such as currency risk, interest risk and market (investment) risk. The Group expects to contribute ₹ 862 lakhs to Gratuity Fund in the next year.

### Defined benefits - Compensated absences

The Group provides for accumulation of leaves by certain categories of its employees. These employees can carry forward a portion of the unutilised leaves and utilise them in future periods or receive cash in lieu thereof as per the Group's policy. The Group records a liability for such leaves in the period in which the employee renders the services that increases this entitlement. The total liability recorded by the Group towards this obligation is ₹ 912 lacs and ₹ 597 lacs as at March 31, 2023 and March 31, 2022, respectively.

### Inherent risk

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

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

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

Reconciliation of the net defined benefit (asset)/ liability:	Year ended March 31, 2023	Year ended March 31, 2022
<b>(I) Reconciliation of present value of defined benefit obligation</b>		
(a) Balance at the beginning of the year	1,671	1,438
(b) Current service cost	161	142
(c) Interest on defined obligations	82	69
(d) Benefits paid	(346)	(374)
(e) Benefit payments directly by employer	(15)	(1)
(f) Actuarial (gains)/ losses recognised in other comprehensive income		
change in demographic assumptions	(15)	(15)
change in financial assumptions	(79)	28
experience adjustments	902	408
<b>Balance at the end of the year before adjustment</b>	<b>2,361</b>	<b>1,695</b>
Less- Adjustment on loss of control in Gati Kausar India limited	-	(24)
<b>Balance at the end of the year</b>	<b>2,361</b>	<b>1,671</b>
<b>(II) Reconciliation of fair value of plan assets</b>		
(a) Balance at the beginning of the year	198	540
(b) Actual return on plan assets	11	30
(c) Investment Income	(5)	(4)
(d) Contributions by the employer	178	6
(e) Benefits paid	(346)	(374)
(f) Actuarial (gains)/ losses on plan assets	-	
<b>Balance at the end of the year</b>	<b>36</b>	<b>198</b>
<b>(III) Gratuity cost recognised in Statement of Profit or Loss</b>		
(a) Current service cost	161	142
(c) Interest on defined obligations	82	69
(b) Interest income on plan assets	(11)	(30)
<b>Gratuity cost recognised in Statement of Profit or Loss</b>	<b>232</b>	<b>181</b>
<b>(IV) Remeasurements recognised in Other Comprehensive Income</b>		
(a) Actuarial gain / (loss) on defined benefit obligation	808	421
(b) Actuarial (gain) / loss on plan assets	5	4
<b>Amount recognised in Other Comprehensive Income</b>	<b>813</b>	<b>425</b>
<b>(V) Net Asset/ (Liability) recognised in the Balance Sheet</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
(a) Present value of defined benefit obligation	(2,361)	(1,671)
(b) Fair value of plan assets	36	198
<b>Net defined benefit obligations in the Balance Sheet</b>	<b>(2,325)</b>	<b>(1,473)</b>
<b>(VI) Plan assets</b>		
Plan assets comprise of the following:		
(a) Investments with LIC	100%	100%

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

(VII) Actuarial assumptions	Year ended March 31, 2023	Year ended March 31, 2022
Principal actuarial assumptions at the reporting date (expressed as weighted averages)		
(a) Discount rate	7.3% - 7.31%	5.77%
(b) Future salary growth	8.00% first 2 years; 6.00% thereafter	8.00% first 2 years; 6.00% thereafter
(c) Retirement age (years)	58	58
(d) Withdrawal rates	10% - 36%	30%

## (VIII) Sensitivity analysis

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
(a) Discount rate (1% movement)	(47)	52	(41)	46
(b) Future salary growth (1% movement)	59	(54)	43	(40)
(c) Withdrawal assumption (1% movement)	1	2	(2)	3

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions as shown.

Expected Cash Flows over the next (Valued on undiscounted cash flows)	As at March 31, 2023	As at March 31, 2022
1 year	862	504
2 to 5 years	1,532	1,057
6 to 10 years	363	344
More than 10 years	48	69

Defined Contribution	Year ended March 31, 2023	Year ended March 31, 2022
Provident/Pension Fund	829	709
Superannuation Fund	3	-
Employee State Insurance	98	104
<b>Total</b>	<b>930</b>	<b>813</b>

## 40. Segment information

### A. Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

The Group has two reportable segments, as described below, which is the Group's primary business segment. These business units are managed separately because they require different marketing strategies. For these businesses, the Group (designation of the person who reviews) reviews internal management reports at quarterly basis.

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

Reportable segments	Operations
Express Distribution & Supply Chain	Covers integrated cargo services - Road, Air transportation, E-commerce logistics and supply chain solutions
Fuel Stations	Covers fuel stations dealing in petrol, diesel and lubricants, etc.
Others	Miscellaneous business comprising of less than 10% revenues.

## B. Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Company's CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis. The Company's Chief Operating Decision Maker (CODM) has identified business segments are Express distribution, Fuel Stations and Others.

Summary of Segment Information for the year ended March 31, 2023 and March 31, 2022 is as follows:

1. Segment Revenue (Net Sales / Income from each Segment)	Year Ended March 31, 2023	Year Ended March 31, 2022
a) Express Distribution & Supply Chain	1,46,592	1,25,929
b) Fuel Station	25,444	22,828
c) Others	281	237
<b>Total</b>	<b>1,72,317</b>	<b>1,48,994</b>
Less: Inter Segment Revenue	-	-
<b>Total Revenue from Operations</b>	<b>1,72,317</b>	<b>1,48,994</b>

2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)	Year Ended March 31, 2023	Year Ended March 31, 2022
a) Express Distribution & Supply Chain	3,745	1,325
Less: Exceptional Items - Income/(expense)	(807)	-
<b>Total (a)</b>	<b>2,938</b>	<b>1,325</b>
b) Fuel Station	378	302
Less: Exceptional Items - Income/(expense)	-	-
<b>Total (b)</b>	<b>378</b>	<b>302</b>
<b>Total (a+b)</b>	<b>3,316</b>	<b>1,627</b>
Add/Less: (i) Finance Cost	(2,936)	(2,732)
(ii) Other un-allocated Income/(expense), net	(753)	(150)
(iii) Exceptional Items - Income/(expense), net	903	1,205
<b>Profit/(Loss) Before tax</b>	<b>530</b>	<b>(50)</b>
Less: Tax Expenses	1,621	393
<b>Profit after Tax as per statement of profit and loss</b>	<b>(1,091)</b>	<b>(443)</b>

3. Segment Assets and Liabilities	As at March 31, 2023	As at March 31, 2022
<b>Segment Assets</b>		
a) Express Distribution & Supply Chain	58,363	52,353
b) Fuel Stations	1,175	1,278
c) Unallocated	68,932	69,402
<b>Total Assets</b>	<b>1,28,470</b>	<b>1,23,033</b>

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

3. Segment Assets and Liabilities (continue)	As at March 31, 2023	As at March 31, 2022
<b>Segment Liabilities</b>		
a) Express Distribution & Supply Chain	56,629	55,522
b) Fuel Stations	46	42
c) Unallocated	2,984	3,798
<b>Total Liabilities</b>	<b>59,659</b>	<b>59,362</b>
<b>Capital Employed</b>	<b>68,811</b>	<b>63,671</b>

4. Depreciation and Amortization Expense	Year Ended March 31, 2023	Year Ended March 31, 2022
a) Express Distribution & Supply Chain	5,908	3,481
b) Fuel Stations	13	11
c) Others	-	-
<b>Total</b>	<b>5,921</b>	<b>3,492</b>

5. Significant Non - Cash Expenditure	Year Ended March 31, 2023	Year Ended March 31, 2022
a) Express Distribution & Supply Chain	2,797	3,074
b) Fuel Stations	-	5
<b>Total</b>	<b>2,797</b>	<b>3,079</b>

6. Capital Expenditure	Year Ended March 31, 2023	Year Ended March 31, 2022
a) Express Distribution & Supply Chain	3,613	875
b) Fuel Stations	36	1
<b>Total</b>	<b>3,649</b>	<b>876</b>

## C. Geographical Information

1. Revenue from External Customers	Year Ended March 31, 2023	Year Ended March 31, 2022
a) India	1,72,317	1,48,994
b) International	-	-
<b>Total</b>	<b>1,72,317</b>	<b>1,48,994</b>

2. Segment Non Current assets *	As at March 31, 2023	As at March 31, 2022
a) India	69,719	68,370
b) International	-	-
<b>Total Assets</b>	<b>69,719</b>	<b>68,370</b>

\* Non Current Assets are excluding Tax Assets, Deferred Tax Asset.

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## 41. Due to Micro Enterprises and Small Enterprises

	Year ended March 31, 2023	Year ended March 31, 2022
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year :		
Principal amount due to micro and small enterprises	1,114	1560
Interest due on above	14	10
<b>Total</b>	<b>1,128</b>	<b>1,570</b>
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year.	14	10
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

42. The Board of Directors of the Company have not recommended any dividend for the current financial year with an objective to conserve cash.

## 43. Financial instruments - fair values and risk management

### A. Category wise classification of financial instruments

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

Particulars	Carrying Amount					Fair value			
	FVTPL	FVOCI	Other Financial Assets at Amortised Cost	Other Financial Liabilities at Amortised Cost	Total Carrying Amount	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>									
Investment in Equity Instruments	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-
<b>Financial Assets</b>									
Other Financial Assets	-	-	3,478	-	3,478	-	-	-	-
Trade Receivables	-	-	26,678	-	26,678	-	-	-	-
Cash and Cash Equivalents	-	-	1,893	-	1,893	-	-	-	-
Other Bank Balances	-	-	7,759	-	7,759	-	-	-	-
<b>Total</b>	-	-	<b>39,808</b>	-	<b>39,808</b>	-	-	-	-
<b>Financial Liabilities</b>									
Borrowings	-	-	-	12,450	12,450	-	-	-	-
Lease Liabilities	-	-	-	19,627	19,627	-	-	-	-
Trade Payables	-	-	-	9,515	9,515	-	-	-	-
Other Financial Liabilities	-	-	-	13,084	13,084	-	-	-	-
<b>Total</b>	-	-	-	<b>54,676</b>	<b>54,676</b>	-	-	-	-

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

The following table shows the carrying amounts and fair values of Financial Assets and Financial Liabilities as at March 31, 2022

Particulars	Carrying Amount					Fair value			
	FVTPL	FVOCI	Other Financial Assets at Amortised Cost	Other Financial Liabilities at Amortised Cost	Total Carrying Amount	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>									
Investment in equity instruments	1,011	-	-	-	1,011	1,011	-	-	1,011
<b>Total</b>	<b>1,011</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,011</b>	<b>1,011</b>	<b>-</b>	<b>-</b>	<b>1,011</b>
<b>Financial Assets</b>									
Other Financial Assets	-	-	2,643	-	2,643	-	-	-	-
Trade Receivables	-	-	23,233	-	23,233	-	-	-	-
Cash and Cash Equivalents	-	-	1,581	-	1,581	-	-	-	-
Other Bank Balances	-	-	236	-	236	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>27,693</b>	<b>-</b>	<b>27,693</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>									
Borrowings	-	-	-	15,233	15,233	-	-	-	-
Lease Liabilities	-	-	-	17,201	17,201	-	-	-	-
Trade Payables	-	-	-	10,176	10,176	-	-	-	-
Other Financial Liabilities	-	-	-	12,229	12,229	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54,839</b>	<b>54,839</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## B. Measurement of fair values

### i. Valuation techniques and significant unobservable inputs

The fair value of cash and cash equivalents, bank balances, trade receivables, loans, investments in Debt instrument, borrowings, lease liabilities, trade payables and other financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Group loans have been contracted at market rates of interest. Accordingly, the carrying value of such loans approximate fair value.

Investments in equity instruments, which are classified as FVOCI are based on market price at the respective reporting date.

### ii. Level 1 fair values

The following table shows a reconciliation from the opening balance to the closing balance for Level 1 fair values.

Particulars	Fair values Equity instruments
<b>Balance at March 31, 2022</b>	<b>1,011</b>
Current Investments during the year	100
Net Gain on investments measured at FVTPL	8
Equity Investments through Other Comprehensive Income	-
Sale proceeds of Non-Current Investments	(1,119)
<b>Balance at March 31, 2023</b>	<b>-</b>

### Financial instruments measured at amortised cost

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

## C. Financial risk management

The Group's has exposure to the following risks arising from financial instruments:

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

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## Risk management framework

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

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

### (i) Credit risk

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

#### (a) Trade receivables

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

The movement of Trade Receivables and Expected Credit Loss are as follows :

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables (Gross)	33,986	29,068
Less: Expected Credit Loss	(7,308)	(5,835)
<b>Trade Receivables (Net)</b>	<b>26,678</b>	<b>23,233</b>

Reconciliation of Expected Credit Loss (Trade receivables)	Amount
Expected Credit loss as at March 31, 2021	4,275
Allowance for Expected Credit Loss	1,560
Bad debts and Irrecoverable Balances Written off	-
<b>Expected Credit loss as at March 31, 2022</b>	<b>5,835</b>
Allowance for Expected Credit Loss	2,555
Bad debts and Irrecoverable Balances Written off	(1,082)
<b>Expected Credit loss as at March 31, 2023</b>	<b>7,308</b>

#### (b) Loans and Advances

The movement of Advances and Expected Credit Loss are as follows :

Particulars	As at March 31, 2023	As at March 31, 2022
Other Advances Receivables (Gross)	3,130	2,483
Less: Expected Credit Loss	(2,327)	(2,321)
<b>Loans and advances (Net)</b>	<b>803</b>	<b>162</b>

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

Reconciliation of Loss Allowance on Advances	
Expected Credit Loss as at March 31, 2021	2,319
Allowance for Expected Credit Loss	2
<b>Expected Credit Loss as at March 31, 2022</b>	<b>2,321</b>
Allowance for Expected Credit Loss	6
<b>Expected Credit Loss as at March 31, 2023</b>	<b>2,327</b>

## b) Other Financial Assets (Security Deposits given)

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

## (ii) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's finance team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. Besides, it generally has certain undrawn credit facilities which can be accessed as and when required; such credit facilities are reviewed at regular intervals. Thus, no liquidity risk is perceived at present.

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

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

March 31, 2023	Contractual cash flows				
	Carrying Amount	Total	Less than 1 year	1 to 5 years	More than 5 Years
Borrowings	12,450	12,450	12,449	1	-
Trade Payables	9,515	9,515	9,515	-	-
Other Financial Liabilities	13,084	13,084	13,084	-	-
<b>Total</b>	<b>35,049</b>	<b>35,049</b>	<b>35,048</b>	<b>1</b>	<b>-</b>

March 31, 2022	Contractual cash flows				
	Carrying Amount	Total	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	15,233	15,233	14,379	855	-
Trade Payables	10,176	10,176	10,176	-	-
Other Financial Liabilities	12,229	12,229	12,229	-	-
<b>Total</b>	<b>37,638</b>	<b>37,638</b>	<b>36,784</b>	<b>855</b>	<b>-</b>

## (iii) Floating exchange rate and Interest risk:

### Floating exchange rate

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

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The total unhedged foreign currency exposure at the year end towards Trade Receivable & Trade Payable is ₹ 1.5 Lakhs (Previous year ₹ 53 Lakhs) and ₹ 2.82 Lakhs (Previous Year ₹ 29 Lakhs) respectively. The Company does not have significant foreign currency exposure and hence, is not exposed to any significant foreign currency risk.

## Interest rate risk

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

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

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Fixed rate instruments</b>		
<b>Financial Liabilities</b>		
Term Loan From Banks	11	1,010
Deposits from Public	99	404
Term Loan From Financial Institutions	-	14
	<b>110</b>	<b>1,428</b>
<b>Variable rate instruments</b>		
<b>Financial Liabilities</b>		
Cash Credit	12,340	13,806
	<b>12,340</b>	<b>13,806</b>
<b>Total</b>	<b>12,450</b>	<b>15,234</b>

## Sensitivity analysis

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

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

Particulars	Effect on Profit before tax		Consequential effect on Equity before tax	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Variable rate instruments - decrease by 100 basis points	123	138	123
Variable rate instruments - increase by 100 basis points	(123)	(138)	(123)	(138)

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

## Equity risk

The Group's quoted equity instruments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The senior management reviews and approves all equity investment decisions.

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## Sensitivity analysis

Investment in equity instruments of the Group are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. The table below summaries the impact of increase/decrease of the Nifty 50 index on the Group's equity and profit for the period. The analysis is based on the assumption that the NSE nifty 50 equity index had increased/decreased by 10% with all other variables held constant, and that all the Group's equity instruments moved in line with the index.

Particulars	Effect on Profit before tax		Consequential effect on Equity before tax	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
NSE Nifty 50 - increase by 10% (March 31, 2022: 10%)	-	101	-	101
NSE Nifty 50 - decrease by 10% (March 31, 2022: 10%)	-	(101)	-	(101)

## 44. Capital management

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

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

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings (Including Current maturities of Long term Borrowings)	12,450	15,233
Less:		
Cash and Cash Equivalents	(1,893)	(1,581)
Bank Balances other than Cash and Cash Equivalents	(7,759)	(237)
<b>Net Debt</b>	<b>2,798</b>	<b>13,415</b>
Equity	61,467	55,985
Debt to Equity ratio	0.05	0.24

## 45. Earning Per Share

	Year ended March 31, 2023	Year ended March 31, 2022
Profit/(Loss) for the year	(928)	887
Weighted average number of shares outstanding (Nos.)	12,54,41,055	12,27,53,182
Diluted average number of shares outstanding (Nos.)	12,54,41,055	12,55,29,164
Basic Earnings Per Share (In ₹)	(0.74)	0.72
Diluted Earnings Per Share (In ₹)	(0.74)	0.71
Nominal value of shares outstanding (In ₹)	2	2

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## 46. Related Party Disclosures

### (A) Names of related parties and related party relationship for the year ended March 31, 2023

i) <b>Holding Company</b>	1. Allcargo Logistics Limited	
ii) <b>List of Directors &amp; Key Managerial Personnel</b>	1. Mr Shashi Kiran Shetty	– Chairman and Managing Director
	2. Mr P N Shukla	– Director (Resigned w.e.f August 03, 2021 )
	3. Mr Yasuhiro Kaneda	– Nominee Director (Resigned w.e.f July 01, 2022 )
	4. Mr Kaiwan Kalayaniwalla	– Director
	5. Ms. Cynthia D'Souza	– Independent Director
	6. Mr. Dinesh Kumar Lal	– Independent Director
	7. Mr. Yasuyuki Tani	– Nominee Director (Appointed w.e.f August 02, 2022)
	8. Mr. Nilesh Shivji Vikamsey	– Independent Director
	9. Ms. T S Maharani	– Company Secretary and Compliance Officer
	10. Mr. Pirojshaw Sarkari (Phil)	– Chief Executive Officer (w.e.f. August 09, 2021)
	11. Mr. Anish Mathew	– Chief Financial Officer (Appointed w.e.f February 04, 2022)
	12. Mr. Rohan Mittal	– Chief Financial Officer (Resigned w.e.f November 12, 2021)
	13. Mr. Bala Subramanian Aghoramurthy	– Executive director (Resigned on August 11, 2021)
	14. Mr. Adarsh Hegde	– Executive director ( w.e.f October 05, 2020)
	15. Mr. R Ramachandran	– Non Executive director
	16. Ms. Sheela Bhide	– Non Executive director
	17. Mr. Kok Seng Tan	– Non Executive director (till June 01, 2021)
	18. Mr. Kazuhisa kawamura	– Non Executive director (till June 01, 2021)
iii) <b>Entities in which Non Executive Director having significant influence</b>	1. M/s Maneksha & Sethna	
iv) <b>Fellow Subsidiaries</b>	1. Allcargo Inland Park Private Limited	
	2. Comptech Solutions Private Limited	
	3. Allcargo Supply Chain Private Limited *	
	4. Gati Cargo Express (Shanghai) Co. Limited	
	5. Allcargo Logistics Park Private Limited	
	6. Allcargo Multimodal Private Limited #	
v) <b>Associate</b>	1. Gati Ship Limited	
vi) <b>Entities in which significant influence exists</b>	1. Talentos ( India) Private Limited	
	2. Conserve Buildcon LLP (w.e.f Nov 01, 2022)	
	3. National Institute of Industrial Engineering ( w.e.f March 17, 2022)	
vii) <b>Entities under common influence with the Company</b>	1. Kintetsu World Express (India) Private Limited	

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## 46. Related party disclosures (contd..)

### (B) Summary of the transactions with related parties

SL. No	Nature of Transaction	Key Managerial Personnel (KMP) & Relatives		Fellow Subsidiaries & Entities in which having significant influence and common influence		Holding Company		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
a)	<b>EXPENDITURE</b>								
	<b>Lease Rentals</b>								
	Allcargo Logistics Limited	-	-	-	-	7	5	7	5
	Allcargo Inland Park Private Limited	-	-	(9)	120	-	-	(9)	120
	Allcargo Multimodal Private Limited #	-	-	378	-	-	-	378	-
	Allcargo Supply Chain Private Limited *	-	-	115	101	-	-	115	101
	Comptech Solutions Private Limited	-	-	42	12	-	-	42	12
	Talentos ( India) Private Limited	-	-	45	34	-	-	45	34
		-	-	<b>571</b>	<b>267</b>	<b>7</b>	<b>5</b>	<b>578</b>	<b>272</b>
	<b>Freight Expenses</b>								
	Allcargo Logistics Limited	-	-	-	-	2	-	2	-
		-	-	-	-	<b>2</b>	-	<b>2</b>	-
	<b>Other Expenses</b>								
	Allcargo Supply Chain Private Limited *	-	-	3	1	-	-	3	1
	Conserve Buildcon LLP	-	-	100	-	-	-	100	-
	All Cargo Logistics Limited	-	-	-	-	33	4	33	4
	Prism Global Limited	-	-	16	-	-	-	16	-
	Kintentsu World Express (India) Private Limited	-	-	16	13	-	-	16	13
	National Institute of Industrial Engineering	-	-	1	-	-	-	1	-
	Allcargo Multimodal Private Limited ##	-	-	91	-	-	-	91	-
	Comptech Solutions Private Limited	-	-	6	-	-	-	6	-
	ECU Hold NV	-	-	0	-	-	-	0	-
		-	-	<b>233</b>	<b>14</b>	<b>33</b>	<b>4</b>	<b>266</b>	<b>18</b>
	<b>Remuneration</b>								
	Mr. Bala Aghoramurthy	-	122	-	-	-	-	-	122
	Mr. Adarsh Hedge	150	150	-	-	-	-	150	150
	Mr. Rohan Mittal	-	171	-	-	-	-	-	171
	Ms. T S Maharani	39	42	-	-	-	-	39	42
	Mr.Pirojshaw A Sarkari	288	116	-	-	-	-	288	116
	Mr Anish T Mathew	99	16	-	-	-	-	99	16
		<b>576</b>	<b>617</b>	-	-	-	-	<b>576</b>	<b>617</b>
	<b>Management Fees</b>								
	Allcargo Supply Chain Private Limited *	-	-	140	112	-	-	140	112
	Allcargo Logistics Limited	-	-	-	-	502	324	502	324
		-	-	<b>140</b>	<b>112</b>	<b>502</b>	<b>324</b>	<b>642</b>	<b>436</b>

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

SL. No	Nature of Transaction	Key Managerial Personnel (KMP) & Relatives		Fellow Subsidiaries & Entities in which having significant influence and common influence		Holding Company		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
	<b>Legal and Professional Expenses</b>	-	-	-	-	-	-	-	-
	M/s Maneksha & Sethna	-	-	-	28	-	-	-	28
		-	-	-	<b>28</b>	-	-	-	<b>28</b>
	<b>Directors Sitting Fee</b>								
	Mr. P N Shukla	-	1	-	-	-	-	-	1
	Ms. Cynthia D'Souza	1	1	-	-	-	-	1	1
	Mr. Dinesh Kumar Lal	3	3	-	-	-	-	3	3
	Mr. Nilesh Shivji Vikamsey	4	4	-	-	-	-	4	4
	Ms. Sheela Bhide	1	1	-	-	-	-	1	1
	Mr. R Ramachandran	-	2	-	-	-	-	-	2
		<b>9</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>12</b>
	<b>Capitalization</b>								
	Conserve Buildcon LLP	-	-	492	-	-	-	492	-
		-	-	<b>492</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>492</b>	<b>-</b>
<b>b)</b>	<b>INCOME</b>								
	<b>Freight</b>								
	Kintentsu World Express (India) Private Limited	-	-	1,362	843	-	-	1,362	843
	Gati Cargo Express (Shanghai) Co. Limited	-	-	18	108	-	-	18	108
	Allcargo Logistics Park Private Limited	-	-	-	0	-	-	-	0
	Allcargo Supply Chain Private Limited *	-	-	1	15	-	-	1	15
	Allcargo Logistics limited	-	-	-	-	9	9	9	9
		-	-	<b>1,381</b>	<b>966</b>	<b>9</b>	<b>9</b>	<b>1,390</b>	<b>975</b>
	<b>Warehouse Income</b>								
	Allcargo Supply Chain Private Limited*	-	-	20	3	-	-	20	3
	Kintentsu World Express (India) Private Limited	-	-	6	6	-	-	6	6
	Gati Cargo Express (Shanghai) Co. Limited	-	-	71	59	-	-	71	59
		-	-	<b>97</b>	<b>68</b>	<b>-</b>	<b>-</b>	<b>97</b>	<b>68</b>
	<b>Management Fees</b>								
	Allcargo Logistics Limited	-	-	-	-	191	203	191	203
	Allcargo Supply Chain Private Limited *	-	-	91	22	-	-	91	22
		-	-	<b>91</b>	<b>22</b>	<b>191</b>	<b>203</b>	<b>282</b>	<b>225</b>
	<b>Sale of Assets</b>								
	Allcargo Logistics Limited	-	-	-	-	23	-	23	-
		-	-	<b>-</b>	<b>-</b>	<b>23</b>	<b>-</b>	<b>23</b>	<b>-</b>

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## 46. Related party disclosures (contd..)

### (C) Summary of closing balances with related parties

SL. No	Particulars	Holding Company		Associates		Fellow Subsidiaries & Entities in which having significant influence and common influence		Total	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>a)</b>	<b>Trade Receivable</b>								
	Kintentsu World Express (India) Private Limited	-	-	-	-	163	196	163	196
	Gati Cargo Express (Shanghai) Co Limited	-	-	-	-	40	77	40	77
	Allcargo Logistics Limited	11	1	-	-	-	-	11	1
		<b>11</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>203</b>	<b>273</b>	<b>214</b>	<b>274</b>
	<b>Other Receivables</b>								
	Allcargo Supply Chain Private Limited*	-	-	-	-	40	21	40	21
	Allcargo Logistics Limited	728	23	-	-	-	-	728	23
	Gati Ship Limited	-	-	0	0	-	-	0	0
		<b>728</b>	<b>23</b>	<b>0</b>	<b>0</b>	<b>40</b>	<b>21</b>	<b>768</b>	<b>44</b>
<b>b)</b>	<b>Deposit Given</b>								
	Comptech Solutions Private Limited	-	-	-	-	24	-	24	-
	Talentos ( India) Private Limited	-	-	-	-	23	23	23	23
	Allcargo Multimodal Private Limited #	-	-	-	-	157	63	157	63
		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>204</b>	<b>86</b>	<b>204</b>	<b>86</b>
<b>c)</b>	<b>Trade Payables</b>								
	Gati Cargo Express (Shanghai) Co Limited	-	-	-	-	-	18	-	18
		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18</b>	<b>-</b>	<b>18</b>
<b>d)</b>	<b>Other Payables</b>								
	Allcargo Logistics limited	104	1	-	-	-	-	104	1
	Comptech Solutions Private Limited	-	-	-	-	5	11	5	11
	Kintentsu World Express (India) Private Limited	-	-	-	-	3	2	3	2
	Allcargo Supply Chain Private Limited *	-	-	-	-	23	34	23	34
	Allcargo Inland Park Private Limited	-	-	-	-	-	124	-	124
	Allcargo Multimodal Private Limited #	-	-	-	-	48	-	48	-
	Talentos ( India) Private Limited	-	-	-	-	4	-	4	-
	Prism Global Limited	-	-	-	-	6	-	6	-
	Conserve Buildcon LLP	-	-	-	-	47	-	47	-
		<b>104</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>136</b>	<b>171</b>	<b>240</b>	<b>172</b>

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

SL. No	Particulars	Holding Company		Associates		Fellow Subsidiaries & Entities in which having significant influence and common influence		Total	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
e)	<b>Investment held for sale</b>								
	Gati Ship Limited - Equity Shares	-	-	8,623	8,623	-	-	8,623	8,623
	Impairment on Gati Ship Limited - Equity shares	-	-	(8,623)	(8,623)	-	-	(8,623)	(8,623)
		-	-	-	-	-	-	-	-

\* Avvashya CCI Logistics Private Limited demerged as Avvashya Supply Chain Private Limited w.e.f March 01, 2023 & Avvashya Supply chain Private Limited company name got changed as Allcargo Supply Chain Private Limited w.e.f March 30, 2023.

# Allcargo Multimodal Private Limited is demerged from Allcargo Inland Park Private Limited w.e.f March 01, 2022

- (i) This is to confirm that the above transactions are (a) comprehensive and have been reviewed by Internal Auditors of the Company; (b) in the ordinary course of Business and at arm's length; (c) in compliance with applicable regulatory / statutory requirements including the Company's policy on Related Party Transactions.
- (ii) The Management confirms that requisite test to determine the arms length has been done and documented and where required confirmation from the external experts has been obtained for such determination.
- (iii) Related Party Transactions for which approval of the Audit Committee has been taken are well within the ambit of Omnibus Approval given by the Audit committee.
- (iv) The remuneration of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.
- (v) Wherever amounts are "0", the value is less than rupees fifty thousand.

47. The value of company's investment in an associate had been fully provided in earlier years therefore the share of loss in that has not been considered in consolidated accounts.

48. "The Investment of ₹ 3,457 lakhs and ₹ 993 lakhs in Optionally Convertible Debentures (OCDs) of AmritJal Ventures Pvt Ltd (AJVPL) and Gati Infrastructure Sada-Mangder Private Limited (GISMPL) respectively, had been disposed off during the previous year ended March 31, 2022 at the sale consideration of ₹ 0.25 lakhs for each investment. Gain of ₹ 0.5 lakhs had been recognised on the disposal of investment as such investments were fully provided in books of accounts in the earlier years. In addition to the above mentioned sale consideration, in case of AJVPL, company has also received ₹ 10 lakhs through the Corporate Insolvency resolution process under "Insolvency and Bankruptcy Code (IBC) 2016, such amount has been shown in "other current financial liabilities". The Interest accrued and receivables over years on such OCDs of ₹ 1,768 lakhs and ₹ 389 lakhs had also been written off during the year ended March 31, 2022 for which fair valuation had been done in an earlier year to Nil value, therefore there is no financial impact in financial statements of the year ended March 31, 2022.

49. During the previous year, the Board of Directors of the Company vide its meeting held on October 26, 2021 and the Shareholders of the Company through Postal Ballot by e-voting on December 17, 2021 have approved the shifting of Registered Office of the Company from the "State of Telangana" to the "State of Maharashtra at Mumbai", subject to the approval of the Hon'ble Regional Director, South East Region, Hyderabad. Further, the Company has filed the relevant application with the said Hon'ble Regional Director, Hyderabad as per the provisions of the Companies Act, 2013 seeking approval for the same and the matter is still pending for the order. The Company had filed an IA with NCLT, Hyderabad in the main petition praying for the shifting of Registered office of Gati Limited from the State of Telangana to the State of Maharashtra at Mumbai, and NCLT vide its order passed on April 25, 2023 ("said order"), given a direction to the Company to file Form INC-23 and also directing the Regional Director to examine and take decision not later than 15 days from the date of submission of application. The Company had already filed the said Form INC-23 on January 29, 2022 which is pending for approval and further filed an affidavit with the Hon'ble High Court of Telangana for withdrawal of the writ petition filed earlier.

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

- 50.** During the current year, the Allcargo Logistics Limited ("Parent Company") has signed the Share Purchase Agreement on March 27, 2023 with KWE-Kintetsu World Express (S) Pte Ltd and KWE Kintetsu Express (India) Private Limited ("KWE/KWE GROUP") for acquisition of 30% stake of KWE held in Gati-Kintetsu Express Private Limited ("GKEPL"), material subsidiary Company.
- 51.** The Board of Directors of the Company at its Meeting held on May 19, 2023 granted an in-principle approval for the sale of its Fuel Station business consisting of 3 Fuel Pumps located at Bengaluru, Belgaum and Indore to Gati Projects Private Limited, wholly-owned subsidiary or such other party(ies) as may be determined by the Board of Directors of the Company from time to time. The aforesaid transaction shall materialise only upon receipt of required approvals from Oil Marketing Companies (OMCs) followed by formal approval of the Board and the shareholders of the Company for the effective implementation of sale / transfer / disposal of the undertaking of the Company at a future date.
- 52.** Company has adopted an Asset Light Strategy, basis which the decision was taken to sell the all the non-core immovable properties and use the proceeds from such sale to pay the debt. Net carrying value of assets classified held for sale as at March 31, 2023 amounts to ₹ 7,388 Lakhs (March 31, 2022 - ₹ 13,264 lakhs). Exceptional item refers to loss on fair value of such assets as at March 31, 2023 in line with Ind AS 105. The Company has taken necessary steps and negotiation is ongoing with the prospective buyers for the sale of assets classified as AHS which is expected to be concluded in next one year.
- 53.** Under 'The Direct Tax Vivad se Vishwas Act, 2020 (the scheme), the Department accepted the applications of the Company and the tax liability was assessed at ₹ 3,257 lakhs for which company had created provision in the earlier years, out of which ₹ 1,000 lakhs were paid in the financial year 2020-21. Further balance liability of ₹ 2,257 lakhs has been discharged during the previous financial year. With this the total assessed tax liability under VsV Scheme stands closed.
- 54. Other statutory information**
- (i) The Group has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 except for the following:

Name of Company	Nature of transactions	Balance as at March 31, 2023	Balance as at March 31, 2022
Nova Enterprises Private Limited	Receivables	-	22
Synthiko Formulations And Chemicals Limited	Receivables	-	1
A.S. Enterprises Private Limited	Receivables	-	1
Welcome Trademart Private Limited	Receivables	-	1
Indo American Vitamin Foods Private Limited	Receivables	310	1
Alok Leasing Private Limited	Receivables	1	-
Apurva Organics Limited	Receivables	1	-
Bgrg Electrosoft Private Limited	Receivables	1	-
Crown Closures Private Limited	Receivables	0	-
Danfoss Industries Private Limited	Receivables	67	-
Ford India Private Limited	Receivables	73	-
Gilard Electronics Private Limited	Receivables	0	-
Inox India Private Limited	Receivables	2	-
Jassonia Enterprises India Private Limited	Receivables	2	-
Madura Coats	Receivables	2	-
Thermadyne Private Limited	Receivables	0	-
Welspun India Limited	Receivables	1	-
<b>Total</b>		<b>460</b>	<b>26</b>
DRS Enterprises Private Limited	Payables	-	4
Sangam Enterprises Private Limited	Payables	-	0
Rana Trading And Exports Private Limited	Payables	-	0
Ashwavega Couriers & Cargos Private Limited	Payables	-	0
Mangalam Automobiles Private Limited	Payables	-	0
D G Raj Commercial Private Limited	Payables	-	3
<b>Total</b>		<b>-</b>	<b>7</b>

**Note :** 1) Wherever amounts are "0", the value is less than rupees fifty thousand.

- 2) None of the above mentioned party is related party as per the definition of "related party" under section 2(76) of the Companies Act, 2013.

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

- (ii) The Company is in the continuous process of filing the charge satisfaction e-form with MCA, within the timelines, as and when it receives NOCs from the respective charge holders.
- (iii) The Group has not traded or invested in Crypto currency or Virtual Currency during current or previous financial year.
- (iv) The Group has not been declared willful defaulter by any bank or financial institution or government or any government authority during current or previous financial year.
- (v) The Group has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) during current or previous financial year with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Group has not received any fund from any person or entity, including foreign entities (Funding Party) during current or previous financial year with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vii) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during current or previous financial year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (viii) Loans or Advances in the nature of loans are granted to Promoters, Directors, KMPs and the Related Parties

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

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

## 55. Analysis of Loss/(Gain) on Disposal of Gati Kausar India limited

During the previous year ended March 31, 2022, the Company had entered into a Share Purchase Agreement ("SPA") dated May 25, 2021 and transferred its 69.79% of equity holding in Gati Kausar India limited (GKIL) to Mandala Capital AG Limited for the sale consideration of ₹ 5 lakhs, pursuant to this transfer, GKIL ceased to be a subsidiary of Gati limited with effect from July 14, 2021 resulting in a gain of ₹ 6,013 lakhs on account of this loss of control. As a part of transaction one-time severance fees of ₹ 1,305 lakhs was also paid from Gati limited to GKIL as per the terms of share purchase agreement. (Refer Note on exceptional items 36).

Computation of loss on disposal of Gati Kausar India limited	Year ended March 31, 2023	Year ended March 31, 2022
Carrying value of Net Assets sold	-	(6,641)
Share of Minority Interest in the Net Assets sold	-	628
Loss/(Gain) on Disposal	-	(6,013)

Carrying amount of Gati Kausar India Limited Assets and Liabilities disposed:	July 14, 2021
Property, Plant and Equipment	3,396
Investment Property	160
Right-of-use Asset	912
Tax Assets, net	125
Other Non-Current Assets	3
Inventories	12
Financial Assets	
Other Financial Assets	88
Trade Receivables	409
Cash and Bank Balances	16
Other Assets	134
<b>Total Assets</b>	<b>5,255</b>

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

Carrying amount of Gati Kausar India Limited Assets and Liabilities disposed:	July 14, 2021
Long Term Borrowings	9,739
Lease Liabilities	1,070
Non-Current Provisions	25
Short Term Borrowings	260
Financial Liabilities	
Trade Payables	183
Others Financial Liabilities	593
Other Current Liabilities	26
<b>Total Liabilities</b>	<b>11,896</b>
<b>Net Assets derecognized</b>	<b>(6,641)</b>

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

Name of the Enterprise	2022-23							
	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit/( Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit/( Loss)	Amount	As % of Consolidated Profit/( Loss)	Amount	As % of Consolidated Profit/( Loss)	Amount
<b>Parent</b>								
Gati Limited	1.01	69,503	0.50	(543)	0.02	(15)	0.33	(558)
<b>Subsidiaries</b>								
<b>Indian</b>								
1. Gati-Kintetsu Express Private Limited	0.36	24,479	0.35	(380)	0.68	(418)	0.47	(798)
2. Gati Import Export Trading Limited	0.00	47	0.00	(5)	-	-	0.00	(5)
3. Zen Cargo Movers Private Limited	(0.00)	(44)	0.00	(3)	-	-	0.00	(3)
4. Gati Logistics Parks Private Limited	(0.02)	(1,445)	0.00	(1)	-	-	0.00	(1)
5. Gati Projects Private Limited	(0.00)	(3)	0.00	(1)	-	-	0.00	(1)
		<b>92,537</b>		<b>(933)</b>		<b>(433)</b>		<b>(1,366)</b>
Inter company Elimination and Consolidation Adjustment	(0.45)	(31,070)	(0.00)	5	-	-	(0.00)	5
<b>Sub Total</b>		<b>61,467</b>		<b>(928)</b>		<b>(433)</b>		<b>(1,361)</b>
Non Controlling Interest in all Subsidiaries	0.11	7,344	0.15	(163)	0.29	(179)	0.20	(342)
<b>Total</b>	<b>1.00</b>	<b>68,811</b>	<b>1.00</b>	<b>(1,091)</b>	<b>1.00</b>	<b>(612)</b>	<b>1.00</b>	<b>(1,703)</b>

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## 57. Employee share-based payment:

The Group has formulated employee share-based payment schemes with objective to attract and retain talent and align the interest of employees with the group as well as to motivate them to contribute to its growth and profitability. The group view employee stock options as instruments that would enable the employees to share the value they create for the group in the years to come. For the year ended March 31, 2023 the group recognised total expenses of ₹ 924 lakhs (March 31, 2022 ₹ 34 lakhs) related to Share based Payment schemes.

During the quarter ended March 31, 2022, the shareholders of the Company have approved the 'Gati - Employees stock Appreciation Rights Plan 2021 ('ESAR 2021''/Plan') on January 27, 2022 and the Company has also obtained the in-principle approval from the BSE Limited and the National Stock Exchange of India Limited for the granting of Employee Stock Appreciation Rights ("ESARs") under the Plan to the employees of the Company, its Holding Company, Subsidiary Company(ies). Further, the Nomination and Remuneration Committee of the Board of Directors of the Company vide its meeting held on March 17, 2022 have granted 31,05,000 ESARs to the Employees of the Company, its Holding Company and Subsidiary Company. The necessary accounting for the above has been made in the books of accounts in the respective periods. Furthermore, the Nomination and Remuneration Committee of the Board of Directors of the Company vide its meeting held on February 08, 2023 have granted 7,75,000 ESARs to the Employees of the Holding Company and Subsidiary Company with effect from April 01, 2023. At present, following employee share-based payment scheme is in operation, details of which are given below:

### A) Details of ESAR grants are summarised below -

S. No.	Description	Year ended March 31, 2023
1	Date of shareholders' approval	January 27, 2022
2	Total number of options approved under ESARs scheme	42,00,000
3	Vesting requirements	Vesting period of one year but not later than 4 years from the date of grant
4	Exercise price or pricing formula	₹ 85
5	Source of shares (primary, secondary or combination)	Primary
6	Variation of terms of options	No Variations
7	Method used to account for ESOS - Intrinsic or fair value	Fair Value Method

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

S. No.	Description	Year ended March 31, 2023
1	Number of options outstanding at the beginning of the year	-
2	Number of options granted during the year	31,05,000
3	Number of options forfeited/lapsed during the year	2,25,000
4	Number of options vested during the year	-
5	Number of options exercised during the year	-
6	Number of shares arising as a result of exercise of options	NA
7	Amount realized by exercise of options (₹)	-
8	Loan repaid by the Trust during the year from exercise price received	NA
9	Number of options outstanding at the end of the year (out of total number of options approved under scheme)	28,80,000
10	Number of options exercisable at the end of the year (out of total number of options approved under scheme)	28,80,000

11 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.

# Notes to the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

- 12 The fair value has been calculated using the Black Scholes Option Pricing model. The assumptions used in the model are as follows:**

Stock Options granted on	April 01, 2022
Weighted average exercise price (in ₹)	85.00
Weighted average Fair value (in ₹)	88.82
Volatility (%)	54.02%
Dividend yield (%)	0.57%
Life of Options granted (Years)	5.01
Risk free interest rate (%)	6.12%

- 13** The volatility used in the Black-Scholes option-pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is commensurate with the expected life of the options and is based on the daily volatility of the Company's stock price on NSE.

- 14** There are no market conditions attached to the grant and vest.

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

- 59.** The financial statements of the Company for the year ended March 31, 2022, included in these Consolidated Financial Statements, have been audited by the predecessor auditor.

#### As per our report of even date attached

##### For S.R. Batliboi & Associates LLP

Chartered Accountants  
ICAI Firm Registration No: 101049W/E300004

##### Aniket A Sohani

Partner  
Membership no: 117142

Place: Mumbai  
Date: May 19, 2023

#### For and on behalf of the Board of Directors of Gati Limited

##### Shashi Kiran Shetty

Chairman & Managing Director  
DIN: 00012754

##### Anish T Mathew

Chief Financial Officer  
M. No. 211965

Place: Hyderabad  
Date: May 19, 2023

##### Pirojshaw Sarkari

Chief Executive Officer

##### T S Maharani

Company Secretary  
M No. F8069

Place: Hyderabad  
Date: May 19, 2023

# Notes to the Consolidated Financial Statements

for the year ended March 31, 2023

## 60. Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

### PART "A": SUBSIDIARIES

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

Sl. No.	Name of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before taxation before exceptional items	Profit/(Loss) before taxation and exceptional items	Provision for taxation	Profit/(Loss) after taxation	Proposed Dividend	% of shareholding
1	Gati-Kintetsu Express Private Limited #	April-March	INR	50	24,429	83,754	59,275	-	1,48,670	160	1,063	1,596	(543)	-	70% held by Parent
2	Gati Kausar India Limited *	April-March	INR	-	-	-	-	-	-	-	-	-	-	-	-
3	Gati Import Export Trading Ltd.^	April-March	INR	230	(183)	197	149	-	12	(6)	(6)	-	(6)	-	100% held by Parent
4	Zen Cargo Movers Private Limited ^	April-March	INR	36	(80)	23	67	-	1	(3)	(3)	1	(3)	-	100% held by Parent
5	Gati Logistics Parks Private Limited ^	April-March	INR	1	(1,446)	0	1,445	-	-	(1)	(1)	-	(1)	-	100% held by Parent
6	Gati Projects Private Limited ^	April-March	INR	1	(4)	0	3	-	-	(1)	(1)	-	(1)	-	100% held by Parent

### 1. Names of the subsidiaries which are yet to commence operations

Sl. No.	Name of the companies
1	Gati Logistics Parks Private Limited
2	Gati Projects Private Limited

(\*) Gati Kausar India Limited ceased to be a subsidiary with effect from July 14, 2021.

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

^The accounts of the Subsidiary Companies have been certified by the management and the financial statements of these Companies have been considered in the consolidation.

### PART "B": ASSOCIATES AND JOINT VENTURES

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

Sl. No.	Name of the Associate/ Joint Venture	Latest audited Balance Sheet date	No. of shares	Amount of Investment	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	Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit/loss for the year	
					Extent of holding %	Profit/loss for the year				Considered in consolidation	Not considered in consolidation
1	Gati Ship Ltd.	March 31, 2023	48,00,000	8,623	47.95%		There is no significant control over the Company. So the results are not consolidated.	The Company ceases to have significant control after the sale of stake of 12.09% on May 16, 2014. Hence the same is not considered in consolidation.	51	-	(1)

The value of company's investment in an associate had been fully provided in earlier years therefore the share of loss in that has not been considered in consolidated accounts.



# **GATI**

## **Registered Office and Corporate Office**

Gati Limited  
Western Pearl, 4th Floor, Survey No.13(P),  
Kondapur, Hyderabad - 500084, Telangana, India

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CIN: L63011TG1995PLC020121

