

allcargo group

Ingenuity In Motion



DELIVERING INDIA'S PROGRESS EVERY DAY



Power of Trust
2022

INDIA'S MOST TRUSTED
EXPRESS SERVICES

ANNUAL
REPORT
2021-22

CORPORATE INFORMATION

Board of Directors

Mr. Shashi Kiran Shetty
Chairman and Managing Director

Mr. Nilesh Shivji Vikamsey
Independent Director

Mr. Dinesh Lal
Independent Director

Ms. Cynthia D'Souza
Independent Director

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

Mr. Yasuyuki Tani
Nominee Director

Key Managerial Personnel

Mr. Shashi Kiran Shetty
Managing Director

Mr. Pirojshaw Sarkari
Chief Executive Officer

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

Nomination & Remuneration
Committee
Mr. Dinesh Lal, Chairman
Mr. Nilesh Shivji Vikamsey, Member
Mr. Yasuyuki Tani, Member
Ms. Cynthia D'Souza, Member

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

Stakeholders Relationship
Committee
Ms. Cynthia D'Souza, Chairperson
Mr. Kaiwan Kalyaniwalla, Member
Mr. Yasuyuki Tani, Member

Corporate Social
Responsibility Committee
Mr. Kaiwan Kalyaniwalla, Chairperson
Mr. Dinesh Lal, Member
Ms. Cynthia D'Souza, Member

Auditors
M/s. Singhi & Co.
Chartered Accountants, Kolkata

Bankers/Financial Institutions
Kotak Mahindra Bank Limited
Kotak Mahindra Prime Limited
IndusInd Bank Limited
Bank of Baroda
Axis Bank Limited

Registered & Corp. Office
Plot no. 20, Survey. no.12, Kothaguda,
Kondapur, Hyderabad – 500 084
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

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Rely on our expertise,
experience and excellence.

Count on our customised,
customer-focused solutions.

Believe in our endeavour to
sustain value creation.

At Gati, we are perfectly poised to stay true to our intent of delivering value to all our stakeholders, while fostering strategic collaborations and creating synergies for growth.

With our legacy and capabilities, extensive domestic coverage, world-class facilities and digitally-enabled operations we offer end-to-end, integrated logistics solutions that exemplify reliability in India's dynamic and agile delivery landscape.

As a part of Allcargo Group, we can now tap into a global network operating in 180 countries and expand the scope of our services to include the complete spectrum of logistics services.

Our ability to meet diverse logistics needs, tailor services for a wide range of customers comprising individual households, SMEs and multinational corporations, and assure them of safe, timely deliveries makes us a preferred business partner.

We are committed to a model of performance that is scalable, adaptable and geared for business transformation that accelerates strategic progress and enables us to achieve extraordinary objectives.

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 facilitating our customers' business growth drives us to deliver customized solutions - designed to delight and ensure maximum satisfaction.

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. 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 leading powerhouse committed to contributing towards driving India's growth story forward.



Gati Genie



Digital Payments



Vehicle Tracking



Organization-wide ERP System

DIGITALIZATION AND TRANSFORMATION

A pioneer in logistics, Gati has a three-decades-long tryst with Indian roads and Indian enterprise. Known for its glorious past, since becoming a part of the Allcargo Group, Gati has recalibrated its energies to reiterate market leadership in the express distribution, retail, air freight and e-commerce segments. A significant milestone towards this has been the journey of transformation Gati has embarked on.

With a clear focus on being an agile, future-ready and digital-first logistics enterprise, offering services par excellence for Indian businesses, Gati undertook an ambitious transformation project, Project Avvashya, in collaboration with leading external consultants, in 2020. Focused on raising efficiencies across the board, there is a 360° emphasis on rejuvenating operations, and implementing best practices and effective policies.



A significant outcome of the transformation project is the investment in building a robust digital infrastructure that streamlines processes and operations at every level, which has substantially augmented Gati's overall efficiency.

Businesses can now experience the ease of making contact-free payments from any part of the country, and at any time of the day through the digital payment gateway. Considering Gati's reach begins where the road ends, this feature is especially valued in smaller towns and cities. Further, adding to the comfort of accessing information about their shipment daily, is Gati Genie, the WhatsApp chatbot which provides instant services such as PIN Code serviceability check, track and trace, rate and transit time calculator, pick up registration, response to queries and concerns, etc. so that getting information on shipments is as easy as sending a WhatsApp message.

Further, the digital play was expanded during the year to include an enterprise-wide ERP system, and a new CRM tool powered by Salesforces so that businesses have a seamless experience from start to finish.

Gati believes in a digital tomorrow, and is taking sure and strategic steps to offer businesses a cutting-edge logistics experience.

A dedicated commitment to customers ensures that the wheels of transformation will continue well into the future, driving Gati towards new milestones.

With continuous progress in its transformation journey and unwavering commitment to leveraging new-age tools and technologies, Gati is geared to go from strength to strength and stop at nothing to propel businesses into the future.



MESSAGE FROM THE CHAIRMAN

To my dear Shareholders,

It is the moment of truth and joy. I feel extremely happy to share our company's performance highlights for the financial year FY2021-22 with you.

The past year has been a year of recovery from a COVID-grappled world, as things have fallen back to normalcy and have certainly changed the world's business dynamics. Despite several challenges, we have strongly held our ground, and reinforced our forte in express distribution and customized solutions enabled by technology.

During the first quarter of FY22 our results were impacted due to the disruptions caused by the third wave of COVID-19 in India. However, we were successfully able to bring our performance up to speed and showed remarkable recovery and growth in the subsequent quarters.

For Gati, FY22 has been a year of turnaround and transformation. As a customer-centric organization, we have leveraged the best in digital tools and technology, as also enhanced capabilities in terms of physical infrastructure to meet varied needs of our customers, employees, and all other stakeholders.

I take great pride in sharing with you that our company has scaled greater business heights of success in the past year. We are focused on serving all stakeholder needs with our trademark commitment to excellence and have created opportunities to generate higher revenues for diverse business sectors as well as contribute to India's logistics growth.

Our Business Performance

Total consolidated revenue for FY2021-22 stood at INR 1,489 crores compared to INR 1,314 crores in FY2020-21. While the



Indian economy faced the impact of several global and domestic factors, we have been able to navigate business fluctuations, factory shutdowns, COVID-19 restrictions and protocols, to ensure movement of shipments across destinations, delivering excellence. Our customers and shareholders across diverse sectors continue to partner with us for comprehensive express distribution, e-commerce, retail and air freight services that have the widest direct reach, covering more than 95% of India's geography.

Backed by the combined strengths of Allcargo Group, we also give customers seamless access to a range of integrated logistics services and a network operating in 180 countries.

Powering India's bold ambitions

India's economy received a boost with the Government of India introducing new financial policies. The Make in India initiative and GST (and E-way Bill) have given the logistics infrastructure new support, changing the entire outlook of the Indian economy through 'Aatmanirbhar Bharat', directed to build a self-reliant and resilient India.

MSMEs are expected to be one of the biggest contributors to India's aspiration to grow into a USD 5 trillion economy. Supporting the same, there has also been a rise in India-made domestic goods, with the introduction of Production-Linked Initiative (PLI).

All these developments augur well for the logistics sector, particularly express distribution, which is critical for nationwide transportation and distribution of raw materials, finished goods, packaging and processing material, seasonal goods and products, and more.

Constantly innovating and offering unique products that cater to varied surface and air express needs of multinationals, MNCs, MSMEs and even individual households, helps us explore various avenues to contribute to a new, rising India.

Additionally, the increasing opportunities in e-commerce, rise in both, consumption and manufacturing in tier-2 and tier-3 towns, create multiple opportunities for Gati, especially with its expansive reach right into the country's hinterlands.

As a leading player, looking ahead to strengthen its physical and digital infrastructure, Gati is also in a position to align well with the PM Gati Shakti Master Plan and facilitate integrated, seamless connectivity for movement of goods from one mode of transport to another, one destination to another, with safety, efficiency and reduced transit times.

Transforming to support India's businesses

Project Avvashya in October 2020 was launched, with an aim to redefine Gati, increase growth and efficiency, boost operations and sales process acceleration. Having achieved remarkable progress in this journey, today, we are more than well-equipped to helm the journey of one of India's premier

express distribution companies, into a digital-first, customer-centric, future-ready organization.

It has been the year of a noteworthy turnaround and the result of different strategic initiatives and projects is visible in the organization's performance and outcome.

With Gati being an integral part of Allcargo Group, customers stand to benefit from integrated logistics and excellence in International Supply Chain, CFS-ICD, contract logistics, logistics parks and other services that complement its express, retail and air freight offerings.

As the global leader in LCL consolidation with a network in 180 countries and door-to-door deliveries in more than 50 global markets, Allcargo Group is an ideal partner for Gati's customers aspiring to explore business opportunities and markets worldwide. That today Allcargo Group ranks among the top 20 logistics companies in the world, and has emerged a market leader across key logistics spheres bodes extremely well for Gati as well.

Embracing digitalization

Technology being the currency of tomorrow, Gati is preparing for the future by embracing digitalization today.

We are looking ahead to digitally-enabling our business with the best in tools and technologies that enhance efficiencies and deliver exceptional experiences to our customers.

A number of tools like our Gati Genie chatbot, digital payment solutions, an organization-wide ERP system, robust tracking systems, sophisticated software powered by Salesforce for CRM and automation, are paving the way for seamless cargo movements to bolster businesses across the length and breadth of the country.

Launch of Gati's state-of-the-art STC

In December 2021, Gati launched its largest asset-light surface transshipment center (STC) at Farrukh Nagar, spread over 1.5 lakh sq. ft. and connecting to all major national highways. The hub has amplified handling capacities, and at the same time, increased efficiencies through faster turnaround, automation and centralization of activities.

With no inconveniences of congestion, the STC has been designed in compliance with green norms. The facility has been equipped with capabilities to process short-haul cargo deliveries in North India and long-haul cargo movements on a pan-India spread.

Industry veterans to drive forward strides to market leadership

With an aim to intensely transform the business, we have roped in senior executives and industry veterans like Pirojshaw Sarkari (Phil) as Chief Executive Officer, Huafreed Naswaranji as Chief Commercial Officer, Anish Mathew as Chief Financial Officer, Charles Devlin D'Costa as Chief

Supply Chain Officer, and many others with rich industry experience. Bringing in expertise from within and outside the industry, we have made a conscious move to bolster Gati's products, services and customer experiences with innovation and ingenuity.

Further, as part of Allcargo Group, Gati stands to gain from our numerous group-wide initiatives focused on IT and cybersecurity, finance transformation, diversity, sustainability, and more. Z

Gati is now India's Most Trusted Express Services-Domestic Brand 2022

It is a proud moment for all of us to have become one of the Most Trusted Express Services Brand in India – as recognized by TRA (A Comniscient Group Company). Our unmatched delivery services through a network that spans the length and breadth of the country, backed by an expert team, and most importantly, the trust and confidence of our customers have helped us achieve this 'Power of Trust' certification.

Great place to work

"A great place to work is one in which you trust the people you work for, have pride in what you do, and enjoy the people you work with." - Robert Levering

At Gati, we care for and support our employees and at the same time challenge them to grow with the company.

Our leaders and managers have shared respect, work responsibilities, and commitments to each other, as much as to the organization. "All who work with me are my 'customers' including my colleagues", is the philosophy with which the team operates.

As an organization, Gati remains focused on meeting its employees' financial needs as well as physical and emotional well-being. As a result, employees are often more productive, satisfied, and willing to have long-term career tenures with Gati.

It is only due to all these efforts that in February 2022, Gati has been declared as a Great Place to Work for the third time in a row, with a score of 72, which is our highest ever.

In an effort to build more work efficiency across the organization, and unleash the potential of our employees, we have initiated various training and development programs.

To encourage diverse perspectives and ideas, we ensure free and fair recruitment and reward policies, with no bias. Our recently launched initiative 'Restart' offers women who have had a break in their careers to ease back into the workforce through full-time or project-based roles.

Giving an impetus to sustainability

At Gati, our commitment to being a future-ready, agile, customer-first logistics company is matched by our commitment towards the environment and sustainability. This concern is implemented through strict adherence to

Environment, Social and Governance (ESG) norms and Health, Safety, Security and Environment (HSSE) standards.

Our CSR arm, Avashya Foundation leads the way in lending a helping hand to change lives and secure the environment. We are focused on uplifting lives, through access to quality healthcare, educational opportunities for the deserving, skill training for the youth, encouraging women to seek equal partnership in society, catalyzing leadership through sports, securing the environment and more through initiatives in six focus areas: Education, Environment, Health, Women Empowerment, Disaster Relief and Sports.

With social projects and initiatives focused on three strategic areas that include contributing to quality education, promoting decent work and economic growth and strengthening local communities, we are making a positive difference to communities.

For 22 years now, we have supported a government school constructed under the patronage of Gati at Banjara Hills, Hyderabad, India, for the local children. 22 new classrooms have been built to accommodate as many as 1150 students. Extending these efforts, we have built three more government schools in Hyderabad, Miyapur, and Nagore.

In an effort to help talented sportspersons, especially women athletes, achieve their true potential and win laurels for the country, we are supporting three promising female golfers – Avani Prashanth, Pranavi Urs and Sneha Singh – for the next three years, so they can train well, compete internationally and build their skills.

Growing with you

With excellence in express distribution, integrated logistics, and world-class delivery solutions, we are looking at exponential growth and exploring new opportunities in India and across the globe, guided by our approach of doing business with a purpose, endeavouring to adhere to highest Environmental, Social and Corporate Governance standards, and taking strategic decisions that are in the best interest of our customers, employees, shareholders and all stakeholders.

Regards,



Shashi Kiran Shetty

Chairman