



**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](mailto:rnt.helpdesk@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

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# 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