

August 24, 2022

<b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. Tel: 022 - 2272 1233 / 34 Fax: 022 - 2272 2131 / 1072/ 2037 / 2061 / 41	<b>National Stock Exchange of India Limited</b> Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 Tel: 022 - 2659 8235 / 36 / 452 Fax: 022 - 2659 8237/ 38
<b>Scrip Code:</b> 532345	<b>Symbol :</b> GATI
<b>ISIN No.:</b> INE152B01027	<b>ISIN No.:</b> INE152B01027
<b>Re.:</b> Gati Limited	<b>Re.:</b> Gati Limited

Dear Sir/Ma'am,

**Sub.: Notice of 27<sup>th</sup> Annual General Meeting and Annual Report 2021-22**

Pursuant to Regulation 30 and 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed herewith the Notice convening 27<sup>th</sup> Annual General Meeting ("AGM") and the Annual Report of the Company for the financial year 2021-22.

On account of threat posed by COVID-19 pandemic, the 27<sup>th</sup> AGM will be held on **Thursday, September 15, 2022 at 3:00 P.M. (IST)** through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") without physical presence of the Members and in compliance with the applicable provisions of the Companies Act, 2013 ("the Act") read with rules made thereunder General Circular No. 20/2020 dated May 05, 2020, the General Circular No. 02/2021 dated January 13, 2021, General Circular No. 19/2021 dated December 08, 2021, General Circular No. 21/2021 dated December 14, 2021 and General Circular No. 02/2022 dated May 05, 2022 issued by the Ministry of Corporate Affairs ("MCA Circulars") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by Securities and Exchange Board of India ("SEBI") (hereinafter collectively referred to as "the Circulars") to transact the businesses as set out in the Notice of the 27<sup>th</sup> AGM.

In compliance with the above circulars the Annual Report for the financial year 2021-22 and Notice of the 27<sup>th</sup> AGM has been sent electronically to all the members of the Company whose email addresses are registered with the Company or Depository Participant(s).

In terms of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI Listing Regulations, as amended from time to time and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Company is providing e-voting facility to its members (holding shares either in physical or dematerialized form) to exercise their right to vote by electronic means on the businesses specified in the Notice of the 27<sup>th</sup> AGM of the Company ("Remote e-voting").

**Corporate & Regd. Office: Gati Limited**

Plot No.20, Survey No.12, Kothaguda, Kondapur, Hyderabad - 500 084, Telangana, India. Tel.: (040) 71204284, Fax: (040) 23112318

investor.services@gati.com | CIN:L630IITGI995PLC020121 | Toll Free No.:1860 123 4284 | www.gati.com



The Company is also offering the facility to the Members to cast their vote electronically during the AGM. Accordingly, the Company has fixed **Thursday, September 08, 2022** as the cut-off date to determine the eligibility of the members to cast their vote by electronic means and e-voting during the AGM.

The voting rights of Members shall be in the proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of **Thursday, September 08, 2022**.

The remote e-voting will commence on **Monday, September 12, 2022 at 9:00 AM (IST)** and ends on **Wednesday, September 14, 2022 at 5:00 PM (IST)**.

The information contained in this intimation is also available on the Company's website [www.gati.com](http://www.gati.com), on the website of the National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)) and BSE Limited ([www.bseindia.com](http://www.bseindia.com)).

We request you to kindly take the same on your record.

Thanking you,

Yours faithfully,  
For **Gati Limited**

**T.S. Maharani**  
**Company Secretary & Compliance Officer**  
**M. No.: F8069**

**Encl.: As above**

# DELIVERING INDIA'S PROGRESS EVERY DAY



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

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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 Salesforce 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,

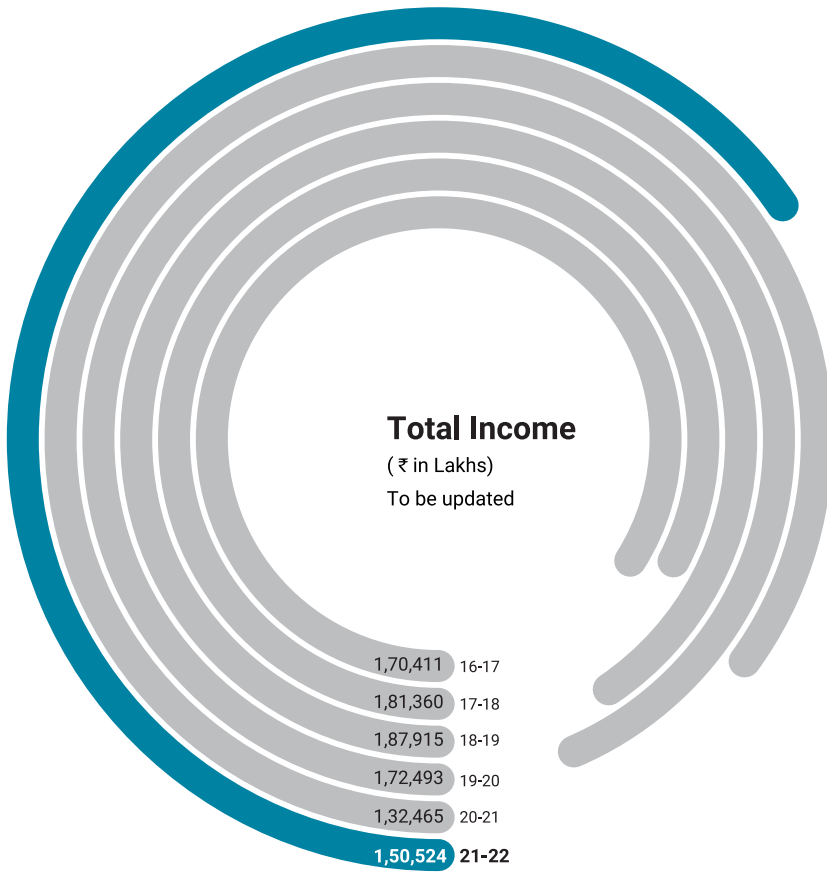


**Shashi Kiran Shetty**

Chairman

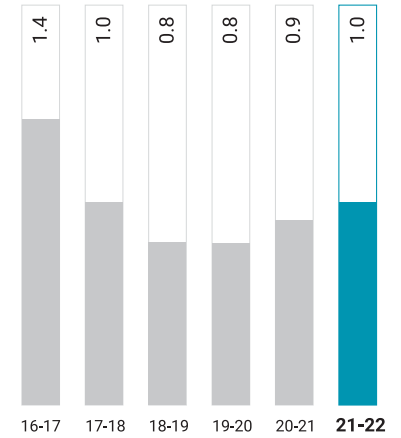
# FINANCIAL METRICS

(Consolidated)



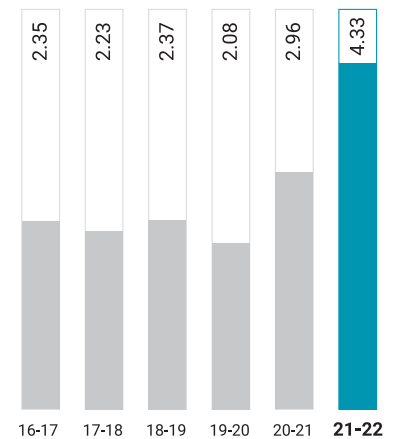
## Current Ratio

(in times)



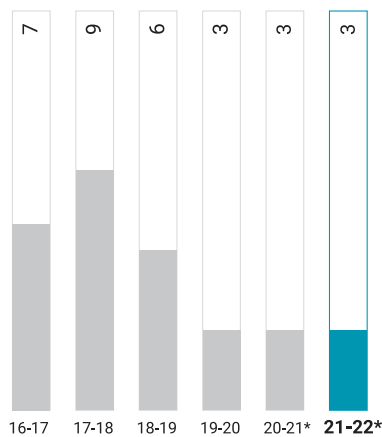
## Turnover on Capital Employed

(in times)



## EBITDA

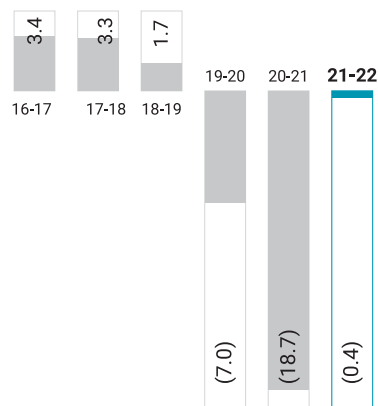
(%)



\*Before Exceptional Item

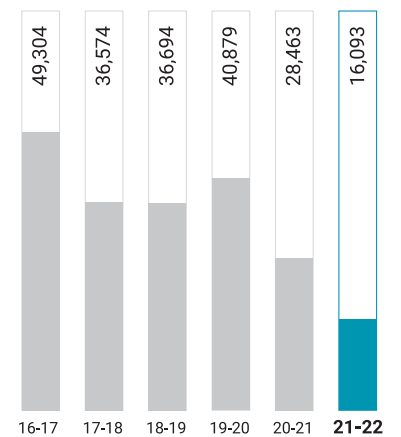
## EPS

(₹)



## Debt

(₹ in Lakhs)



# BOARD OF DIRECTORS

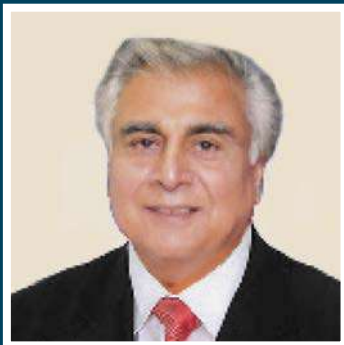
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**Shashi Kiran Shetty**  
Chairman and Managing Director



**Nilesh Shivji Vikamsey**  
Independent Director



**Dinesh Kumar Lal**  
Independent Director



**Cynthia D'Souza**  
Independent Director



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



**Yasuyuki Tani**  
Nominee Director



For additional details scan the QR Code

# MANAGEMENT TEAM

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**Pirojshaw Sarkari (Phil)**  
Chief Executive Officer



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



**Charles Devlin D'Costa**  
Chief Supply Chain Officer



**Huafreed Nasarwanji**  
Chief Commercial Officer



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



**Mehernosh Mehta**  
Chief HR Officer



**Anish Mathew**  
Chief Financial Officer



**Mukundan KV**  
Chief Assurance &  
Risk Executive

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

**Express  
Distribution**

**Supply Chain  
Management Solutions**

**Air  
Freight**

**Special  
Services**

Our end-to-end logistics solutions are designed to offer multi-modal services across road and air to over 99% 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

Our express distribution services bring you multi-modal deliveries that cover over 99% 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 solutions have you covered.

## 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
- Over 600 offices
- Reverse logistics expertise
- Safe, on-time deliveries

## 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.

# SUPPLY CHAIN MANAGEMENT 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

# 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

# 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 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.

# 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.

One of the prominent projects providing a ray of light and a glimmer of hope is Jeevan Coping with Cancer. Being an ailment that takes a physical, emotional and financial toll, this programme looks to mitigate the suffering of cancer survivors and their families, specifically those belonging to underprivileged backgrounds by providing them with a helping hand. Through tie-ups with different hospitals in Hyderabad, treatment support, along with emotional support is given to the needy to give them a fighting chance to survive.

In the field of sports, Gati has sponsored a young talented lady golfer, Sneha Singh, for the next 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 300,000 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.

# STATUTORY REPORTS AND FINANCIAL STATEMENTS

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# NOTICE

**NOTICE** is hereby given that the 27<sup>th</sup> (Twenty Seventh) Annual General Meeting (“AGM”) of the Members of Gati Limited (CIN: L63011TG1995PLC020121) will be held on **Thursday, September 15, 2022 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 Plot No. 20, Survey No. 12, Kothaguda, Kondapur, Hyderabad, Telangana – 500084 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, 2022 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, 2022 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, 2022 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, 2022 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. Shashi Kiran Shetty (DIN: 00012754), 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. Shashi Kiran Shetty (DIN: 00012754), who retires by rotation at this meeting be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

4. To appoint M/s. S. R. Batliboi & Associates LLP, Chartered Accountant as the Statutory Auditors of the Company for a period of five (5) consecutive years to hold office from the conclusion of this Annual General Meeting till the conclusion of the 32<sup>nd</sup> Annual General Meeting to be held in the year 2027 and to fix their remuneration 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 Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. S. R. Batliboi & Associates LLP, Chartered Accountants (Firm’s Registration No.: 101049W/E300004), be and are hereby appointed as the Statutory Auditors of the Company, in place of the retiring Statutory Auditors, M/s. Singhi & Co., Chartered Accountants (Firm’s Registration No.: 302049E), to hold office for a term of five consecutive years from the conclusion of Twenty Seventh Annual General Meeting till the conclusion of Thirty Second Annual General Meeting of the Company to be held in the year 2027, at such remuneration, as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors from time to time.”

## **SPECIAL BUSINESS:**

5. **Appointment of Mr. Yasuyuki Tani (DIN: 09683124) as a Nominee Director of the Company**

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

“**RESOLVED THAT** pursuant to the provisions of Section 152, 161 and other applicable provisions of the Companies Act, 2013, if any, rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with the Articles of Association of the Company and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Mr. Yasuyuki Tani (DIN: 09683124), appointed as a Non-Executive, Nominee Director by the Board of Directors with effect from August 02, 2022 upon recommendation of the Nomination and Remuneration Committee, being nominated by Kintetsu World Express Inc., and having consented to act as a Non-Executive, Nominee Director, be and is hereby appointed as a Non-Executive, Nominee Director of the Company, liable to retire by rotation.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby severally authorised 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. **Additional objective for utilization of the proceeds of the Preferential Issue of Warrants made during FY 2021-22 by the Company**

To consider and if thought fit, to pass with or without modifications, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013, if any, read with rules made there



under and subject to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2015 and other applicable rules, regulations and laws, the consent of the members of the Company be and is hereby accorded for including an additional purpose / objective namely 'Granting of Inter-Corporate Deposits' for utilization of the proceeds of the Equity Warrants issued on preferential basis amounting to ₹ 52,49,99,610/- (Rupees Fifty Two Crores Forty Nine Lakhs Ninety Nine Thousand Six Hundred and Ten only) approved for issue to the Promoters on preferential basis vide Extra-ordinary General Meeting

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

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

Place: Hyderabad  
Date: August 02, 2022

of the Company held on June 03, 2021, being the balance 75% payable by the Warrant holder(s) entitled to exercise the Warrants in one or more tranches within a period of 18 (Eighteen) months from the date of allotment of the said Warrants."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company 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."

**Registered & Corporate Office:**

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

**NOTES:**

- 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 and May 05, 2022, respectively, ("MCA Circulars") allowing, *inter-alia*, conduct of AGMs' through Video Conferencing/ Other Audio-Visual Means ("VC/OAVM") facility till December 31, 2022, 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 27<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 27<sup>th</sup> AGM shall be the Registered Office of the Company.
- 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.
- 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.
- 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).
- 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.
- The Board of Directors have considered and decided to include the Item No. 5 and Item No. 6 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.
- The Members kindly note that the "Gati - Employees Stock Appreciation Rights Plan - 2021" ("ESAR 2021"/"Plan") as approved by the Members of the Company on Thursday,

January 27, 2022 through Postal Ballot by Remote E-voting. In this regard we would like to hereby clarify that, the Point “n” of the Explanatory Statement to the Postal Ballot Notice of the Company dated December 06, 2021 i.e. “The amount of loan to be provided for implementation of the Plan by the company to the trust, its tenure, utilization, repayment terms, etc.” it is treated as Not Applicable as the Plan is implemented directly, and no loan shall be obtained.

8. In compliance with the aforementioned MCA and SEBI Circulars, Notice of the AGM along with the Annual Report 2021-22 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 2021-22 are being sent in the permitted mode. Members may note that the Notice and Annual Report 2021-22 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”) a service provider for voting through remote e-Voting, for participation in the 27<sup>th</sup> AGM through VC/OAVM facility and e-Voting during the 27<sup>th</sup> AGM at <https://www.evoting.nsdl.com/>.

9. The relative Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item No. 5 and 6 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.

10. Instructions for e-Voting and joining the AGM are as follows:

**A. VOTING THROUGH ELECTRONIC MEANS**

i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.

ii. **The remote e-Voting period commences on Monday, September 12, 2022 (9:00 a.m. IST) and ends on Wednesday, September 14, 2022 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Thursday, September 08, 2022 i.e. cut-off date, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Members have the**

**option to cast their vote on any of the resolutions using the remote e-Voting facility either during the period commences September 12, 2022 to September 14, 2022 or e-Voting during the AGM.**

- iii. The Members who have cast their vote by remote e-Voting prior to the AGM may attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote on such resolution again.
- iv. The Board of Directors have appointed M/s. Puttaparthi Jagannatham & Co. Company Secretaries, Hyderabad, as Scrutinizer for conducting the e-voting process in a fair and transparent manner.
- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- vi. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he / she is already registered with NSDL for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under **“Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.”**

- vii. The details of the process and manner for remote e-Voting are explained herein below:

Step 1: Access to NSDL e-Voting system.

Step 2: Cast your vote electronically and join virtual meeting on NSDL e-Voting system.

**Details on Step 1 are mentioned below:**

- i. **Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**  
Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on “e-Voting facility provided by Listed Companies”, e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process.

Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-Voting facility.

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p><b>A. NSDL IDeAS facility</b></p> <p><b>If you are already registered, follow the below steps:</b></p> <ol style="list-style-type: none"> <li>1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile.</li> <li>2. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section.</li> <li>3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services.</li> <li>4. Click on “Access to e-Voting” appearing on the left hand side under e-Voting services and you will be able to see e-Voting page.</li> <li>5. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the meeting.</li> </ol> <p><b>If you are not registered, follow the below steps:</b></p> <ol style="list-style-type: none"> <li>1. Option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>.</li> <li>2. Select “Register Online for IDeAS” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Please follow steps given in points 1-5.</li> </ol> <p><b>B. e-Voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>1. 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 phone.</li> <li>2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.</li> <li>3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</li> <li>4. After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - 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 and e-Voting during the meeting.</li> </ol>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest is <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi / Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of ESP i.e. NSDL portal. Click on NSDL to cast your vote.</li> </ol>



Type of Shareholders	Login Method
Individual Shareholders (holding securities in demat mode) logging through their depository participants	3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a> . Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile and e-mail as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.
	1. You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-Voting facility.
	2. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.
	3. Click on options available against company name or e-Voting service provider - 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 and e-Voting during the meeting.

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot User ID and Forgot Password option available at respective websites.

**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
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

## II. 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?

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under "Shareholder / Member" section.
3. 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.
4. 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.
5. 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***

6. Your password details are given below:
- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) 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 by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - i. If your e-mail ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL in your mailbox from [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) Open the e-mail 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'.
    - ii. In case you have not registered your e-mail address with the Company / Depository, please follow steps mentioned below:
      - 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)).
      - 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)).
      - Alternatively member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by providing the details mentioned above.
7. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
- a) 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).
  - b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) 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.
  - d) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.
8. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.
  9. Now you will have to click on "**Login**" button.
  10. After you click on the "**Login**" button, Home page of e-Voting will open.

#### Details on Step 2 are mentioned below:

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

- 1) 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.
- 2) 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**".
- 3) Now you are ready for e-Voting as the Voting page opens.
- 4) 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.
- 5) Upon confirmation, the message "Vote cast successfully" will be displayed.
- 6) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- 7) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders:

1. 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 <https://www.evoting.nsdl.com> to reset the password.

2. In case of any queries relating to e-Voting you may refer to the FAQs for Shareholders and e-Voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com> or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or contact Mr. Amit Vishal, Senior Manager – NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call at toll free no.: 1800 1020 990 and 1800 22 44 30.
3. 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 demat account number / Folio number, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained above.
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.
5. The instructions for members for e-Voting on the day of the AGM are mentioned in point number 9(A) above.

#### **B. 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 **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General 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.
6. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or contact Mr. Amit Vishal, Senior Manager – NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call at toll free no.: 1800 1020 990 and 1800 22 44 30.
5. Members are encouraged to express their views / send their queries in advance mentioning their name demat account number / folio number, email 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 Tuesday, September 13, 2022 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. Thursday, September 08, 2022. 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 Thursday, September 08, 2022 to Thursday, September 15, 2022 (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. Thursday, September 15, 2022.
- (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 participants(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 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. Thursday, September 15, 2022. 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 2014-15, 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, 2015 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 2014-15 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 22, 2021 (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 2022-23. 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. 5

The appointment of Mr. Yasuyuki Tani as a Non-Executive, Nominee Director of the Company is based on the nomination by the Kintetsu World Express, Inc. vide their letter dated July 01, 2022 to the Company. In terms of Article 100 of the Articles of Association, the Board of Directors are empowered to appoint the Nominee Directors under the provisions of the Companies Act, 2013 ("the Act") and that appointment will be approved by the Shareholders at the next General Meeting or within a time period of three months from the date of appointment, whichever is earlier as per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended.

Accordingly, the Board appointed Mr. Yasuyuki Tani as a Non-Executive, Nominee Director with effect from August 02, 2022 based on the recommendation of the Nomination and Remuneration Committee. The Company has received a notice in writing under Section 160 of the Act proposing the appointment of Mr. Yasuyuki Tani as a non-Executive, Nominee Director on the Board of the Company.

Pursuant to the provisions of Regulation 17(IC) of the Listing Regulations the Company shall ensure that 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.

Except Mr. Yasuyuki Tani, no other Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution financially or otherwise.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

Brief resume of Mr. Yasuyuki Tani is annexed.

### Item No. 6:

The Members of the Company vide Extra-ordinary General meeting held on June 03, 2021 approved for fund raising by the Company through preferential issue of equity shares and warrants to one of the promoters of the Company, Allcargo Logistics Limited ("Holding Company") for an amount not exceeding ₹ 80,00,00,000/- by way of issue of 10,23,020 (Ten Lacs Twenty Three Thousand and Twenty) Equity shares having face value of ₹ 2/- each for cash at a price of ₹ 97.75/- per share at a premium of ₹ 95.75/- per share aggregating to ₹ 10,00,00,205/- (Rupees Ten Crore Two Hundred and Five only) and upto 71,61,120 (Seventy One Lacs Sixty One Thousand One



Hundred and Twenty) warrants at a price of ₹ 97.75/- per warrant with a right to the warrant holders to apply for and be allotted 1 (One) Equity Share of the face value of ₹ 2/- each of the Company at a premium of ₹ 95.75/- per share for each Warrant within a period of 18 (Eighteen) months from the date of allotment of the Warrants, aggregating up to ₹ 69,99,99,480/- (Rupees Sixty Nine Crores Ninety Nine Lacs Ninety Nine Thousand Four Hundred and Eighty only).

The Members accorded their approval to utilise the proceeds of the Preferential issue of Equity Shares and Warrants for the following purposes :

- (i) Repay Debt
- (ii) Meet working capital requirement
- (iii) General Corporate purposes

The entire proceeds from the Preferential issue of equity shares and 25% of the proceeds realised w.r.t. Preferential issue of warrants amounting to ₹ 27,50,00,075/- were fully utilised for the purposes as mentioned and approved accordingly without any deviation and compliance in this regard duly notified to the Regulatory Authorities as per the Listing Regulations.

Assuming that the expression "General Corporate purposes" may not include within its ken providing inter-corporate deposits, as a

matter of abundant caution, the Company would like to seek the approval of the members for the additional objective or purpose of utilization of the proceeds of the Preferential issue of warrants.

Further, w.r.t. the balance proceeds of Preferential issue of warrants (75%) amounting to ₹ 52,49,99,610/- which will be realised by the Company on or before December 16, 2022 to the extent the same shall remain as surplus funds with the Company. The Company proposes to deploy such surplus to its subsidiary company(ies) in the form of "Inter-Corporate Deposit" which purpose has been considered and approved by the Board of Directors of the Company vide its meeting held on May 20, 2022 and now placed for the approval of the members of the Company. The terms of such deployment as "Inter-Corporate Deposit" to its subsidiary company(ies) including the tenure shall be as decided by the Board of Directors of the Company.

None of the Directors or Key Managerial Person (KMP) or relatives of Directors and KMP, is in any way concerned with or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying notice.

The Board commends the Special Resolution set out at Item No.6 of the Notice for approval by the shareholders.

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

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

Place: Hyderabad  
Date: August 02, 2022

**Registered & Corporate Office:**

Plot No.20, Survey No.12,  
Kothaguda, Kondapur, Hyderabad- 500 084  
**Tel:** +91 040-7120 4284,  
**Fax:** +91 040-2311 2318

**CIN:** L63011TG1995PLC020121

**Website:** [www.gati.com](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:

<b>Mr. Shashi Kiran Shetty (DIN: 00012754)</b>	
Age	65
Qualifications	Bachelor of Commerce
Experience (including expertise in specific functional area) / Brief Resume	In 1993, he founded Allcargo Logistics which today enjoys the status of being India's largest integrated logistics company. Its trajectory of success and wide portfolio of world-class services like MTO, Contract Logistics and Project Equipment are testimony to Mr. Shetty's entrepreneurial spirit and foresight.
Terms & Conditions of Re-appointment	Terms and Conditions are as per the Board Resolution and Shareholders resolution at the time of appointment.
Remuneration Last Drawn (FY 2021-22)	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, 2022	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 (2021-22)	5 out of 6
Directorships of other Boards as on March 31, 2022	<ul style="list-style-type: none"> <li>➤ Allcargo Logistics Limited;</li> <li>➤ Allcargo Multimodal Private Limited;</li> <li>➤ Malur Logistics and Industrial Parks Private Limited;</li> <li>➤ Allcargo Terminals Limited;</li> <li>➤ Allcargo Inland Park Private Limited;</li> <li>➤ AGL Warehousing Private Limited;</li> <li>➤ Alltrans Logistics Private Limited;</li> <li>➤ Avvashya CCI Logistics Private Limited;</li> <li>➤ FTL (India) Private Limited;</li> <li>➤ Avashya Holdings Private Limited;</li> <li>➤ Avashya Corporation Private Limited;</li> <li>➤ Talentos Entertainment Private Limited;</li> <li>➤ Talentos Warehousing &amp; Industrial Parks Private Limited;</li> <li>➤ Hoskote Warehousing &amp; Industrial Parks Private Limited</li> </ul>
Membership/ Chairmanship of committees of other listed companies as on March 31, 2022 (includes only Audit Committee and Stakeholders Relationship Committee)	<p><b>Allcargo Logistics Limited:-</b></p> <ul style="list-style-type: none"> <li>➤ Stakeholders Relationship Committee</li> </ul>

## Item No. 4:

In accordance with Section 139 of the Companies Act, 2013 ("the Act"), read with the Companies (Audit and Auditors) Rules, 2014, M/s. Singhi & Co., Chartered Accountants, (Firm Registration No. 302049E), Statutory Auditors of the Company shall retire at the conclusion of the 27<sup>th</sup> AGM of the Company.

The Board of Directors of the Company at their meeting held on May 20 2022, on the recommendation of the Audit Committee, have recommended the appointment of M/s. S. R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/ E300004) as the Statutory Auditors of the Company, by the members at the 27<sup>th</sup> AGM of the Company for a term of five consecutive years from the conclusion of 27<sup>th</sup> AGM till the conclusion of 32<sup>nd</sup> AGM of the Company to be held in the year 2027, at an annual

remuneration of ₹ 25 Lakhs for the financial year ending March 31, 2023, plus out of pocket expenses and applicable taxes. The remuneration for the subsequent year(s) of their term shall be determined based on the recommendation of the Audit Committee and as mutually agreed between the Board of Directors of the Company and the Statutory Auditors. The remuneration proposed to be paid to M/s. S. R. Batliboi & Associates LLP would be in line with the remuneration of the retiring statutory auditors of the Company, and shall be commensurate with the services to be rendered by them during the said tenure.

After evaluating all proposals and considering various factors such as independence, industry experience, technical skills, geographical presence, audit team, audit quality reports, etc., M/s. S. R. Batliboi & Associates LLP has been recommended to be appointed as the Statutory Auditors of the Company.

M/s. S. R. Batliboi & Associates LLP, is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India (ICAI). M/s. S. R. Batliboi & Associates LLP was established in 1965 and has offices across key cities in India. The firm provides audit and financial accounting advisory services. The firm caters to clients across diverse market segments including Industrial, Infrastructure, Consumer Products, Financial Services, Technology, Media and Entertainment, Telecommunications and Professional Services.

Pursuant to Section 139 of the Act and the rules framed thereunder, the Company has received written consent from M/s. S. R. Batliboi & Associates LLP and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. S. R. Batliboi & Associates LLP, has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice of the 27<sup>th</sup> AGM. Accordingly, the Board of Directors commends the aforesaid appointment to the members for their approval by way of an Ordinary Resolution.

#### Item No. 5:

##### Mr. Yasuyuki Tani (DIN: 09683124)

Age	53 years
Qualifications	Graduation in Sociology
Experience (including expertise in specific functional area) / Brief Resume	Mr. Tani joined Kintetsu World Express, Inc., Japan in 1992 and has vast experience in the business of international freight forwarding and logistics. He is very familiar with business activities in the Asia-Pacific Region after having worked overseas in Singapore for 9 years, in Malaysia for 1 year and in Thailand for 7 years as he held senior leadership and management positions.
Terms & Conditions of Appointment	Appointment based on the nomination by Kintetsu World Express, Inc. vide their letter dated July 01, 2022
Remuneration Last Drawn (FY 2021-22)	Not Applicable
Remuneration proposed to be paid	NIL
Date of first appointment on the Board	August 02, 2022
Shareholding in the Company as on March 31, 2022	NIL
Relationship with other Directors/Key Managerial Personnel	None
Number of meetings of the Board attended during the financial year (2021-22)	Not Applicable
Directorships of other Boards as on March 31, 2022	NIL
Membership/ Chairmanship of committees of other listed companies as on March 31, 2022 (includes only Audit Committee and Stakeholders Relationship Committee)	NIL

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

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

Place: Hyderabad  
Date: August 02, 2022

**Registered & Corporate Office:**  
Plot No.20, Survey No.12,  
Kothaguda, Kondapur, Hyderabad- 500 084  
**Tel:** +91 040-7120 4284, **Fax:** +91 040-2311 2318  
**CIN:** L63011TG1995PLC020121  
**Website:** [www.gati.com](http://www.gati.com)  
**Email:** [investor.services@gati.com](mailto:investor.services@gati.com)

# 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, 2022. 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, 2022 as compared to the previous year are as under:

Particulars	(₹ in Lakhs)			
	Standalone		Consolidated	
	Financial Year 2021-22	Financial Year 2020-21	Financial Year 2021-22	Financial Year 2020-21
Total Income	25,760	28,650	1,50,524	1,32,465
Profit/(Loss) before Finance Cost, Depreciation & Amortization Expenses, Exceptional items & Tax Expenses	223	280	4,969	3,756
Less: Finance cost	139	669	2,732	4,514
Less : Depreciation and Amortization Expenses	109	188	3,492	4,013
<b>Profit/(Loss) before tax &amp; Exceptional items</b>	<b>(25)</b>	<b>(577)</b>	<b>(1,255)</b>	<b>(4,771)</b>
Exceptional items - Income/(Expense)	(2,296)	(16,001)	1,205	(20,486)
<b>Profit/(Loss) before tax</b>	<b>(2,321)</b>	<b>(16,578)</b>	<b>(50)</b>	<b>(25,257)</b>
Less: Tax expenses	(307)	1,053 <sup>^</sup>	393	(664)
<b>Profit/(Loss) after tax</b>	<b>(2,014)</b>	<b>(17,632)</b>	<b>(443)</b>	<b>(24,593)</b>
Attributable to				
Owners of the company	(2,014)	(17,632)	887	(22,788)
Non –controlling Interest	-	-	(1,330)	(1,805)
Add: other comprehensive Income (net of Tax)	(7)	71	(320)	913
Total comprehensive income	(2,021)	(17,561)	(763)	(23,680)
Attributable to				
Owners of the company	(2,021)	(17,561)	661	(21,802)
Non –controlling Interest	-	-	(1,424)	(1,878)

<sup>^</sup>Tax related to earlier years.

## 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, 2022. Further, in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 effective from May 06, 2021, the Board of Directors of the Company at its meeting held on May 25, 2021 has adopted the Dividend Distribution Policy pursuant to the provisions of the Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations") and same 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) Impact of COVID-19

Over FY22 access to vaccines, tests, and treatments continued to remain essential to reduce the risk from multiple COVID-19 variants. Focusing on well-being of its

employees, the Company continued its 'work from home' initiative for its employees. The team has ensured business continuity at the same time has continued to take all necessary steps ensure a seamless transition to the new ways of working. Due to multiple variants the performance of the Company operation was impacted during the first and the fourth quarter of the current fiscal year. However, the recovery was swift in the subsequent quarter. The company risk management team have their assessment in place while ascertaining the impact of COVID-19 in preparation of financial results including its assessment of going concern and recoverability of the carrying amounts of financial and non-financial assets. The risk associated with COVID-19 appears to be minimised and the Company remains in a comfortable position to focus on its path to transformation and profitable growth. The Company will continue to monitor any material changes to future economic conditions.

## 4) Review of Operations

### Consolidated:

During the year under review, at consolidated level, your Company achieved a revenue of ₹ 1,50,524 Lakhs, EBITDA

of ₹ 4,969 Lakhs, PBT of ₹ -50 Lakhs and PAT of ₹ -443 Lakhs as against a revenue of ₹ 1,32,465 Lakhs, EBITDA of ₹ 3,756 Lakhs, PBT of ₹ -25,257 Lakhs and PAT of ₹ -24,593 Lakhs respectively in the previous year.

#### **Standalone:**

At standalone level, your Company recorded revenue of ₹ 25,760 Lakhs, EBITDA of ₹ 223 Lakhs, PBT of ₹ -2,321 Lakhs and PAT of ₹ -2,014 Lakhs as against revenue ₹ 28,650 Lakhs, EBITDA of ₹ 280 Lakhs, PBT of ₹ -16,578 Lakhs and PAT of ₹ -17,632 Lakhs in the previous year.

### **5) Performance and Financial Details of Subsidiaries and Associates**

The financial performance of the subsidiaries and associate 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.

### **6) 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-Kintetsu Express Private Limited ("GKEPL")
- ii. Gati Kausar India Limited ("GKIL") (upto July 14, 2021)
- iii. Gati Import Export Trading Limited ("GIETL")
- iv. Zen Cargo Movers Private Limited ("ZCMPL")
- v. Gati Logistics Parks Private Limited ("GLPPL")
- vi. 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.

During the year, the Board of Directors of the Company vide its meeting held on Tuesday, May 25, 2021 approved

the disposal of Subsidiary i.e. Gati Kausar India Limited, by way of entering into Share Purchase Agreement among the Contracting Parties i.e. (i) Company as a Promoter, (ii) Mandala Capital AG Limited as an Investor, and (iii) Gati Kausar India Limited as a Company and later on Gati Kausar India Limited has ceased to be the Company's subsidiary w.e.f. July 14, 2021.

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>

### **7) Shifting of the Registered office of the Company**

During the year, the Board of Directors of the Company vide its meeting held on Tuesday, October 26, 2021 approved the shifting of Registered office of the Company from the State of Telangana to the State of Maharashtra at Mumbai in view of exercising better administration and economic control over the Company, for increasing operational and management efficiency and for integrating business functions and optimization of administrative expenses. Further, the Chairman & Managing Director of the Company and majority of the Board are based out of Mumbai. The shifting of registered office was also approved by the Members of the Company via Special Resolution through Postal Ballot on December 17, 2021 and now the same is pending for the order of the Regional Director, South East Region, Hyderabad.

### **8) Reserves**

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

### **9) Fixed deposits (FD)**

As on March 31, 2022, fixed deposits of your Company stood at ₹ 435.16 Lakhs out of which ₹ 30.98 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.

### **10) Directors and Key Managerial Personnel (KMP)**

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

The Board upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on February 05, 2021, has approved the appointment of Mr. Nilesh Shivji Vikamsey (DIN: 00031213) as an Additional Director (Independent) with effect from February 05, 2021 and the same was approved by the Shareholders of the Company in the 26<sup>th</sup> AGM of the Company held on September 22, 2021.

During the year under review, Mr. Prabhu Narain Shukla an Independent Director of the Company has ceased to be the

Director of the Company upon completion of second term of his office on August 03, 2021.

**ii. Re-appointment of Director:**

During the year, the Company has re-appointed Mr. Kaiwan Kalyaniwalla (DIN: 00060776) as Director of the Company, who retires by rotation at the 26<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. Shashi Kiran Shetty (DIN: 00012754), Managing 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:**

During the year under review:-

- (a) The Board of Directors of the Company has appointed Mr. Pirojshaw Sarkari as the Chief Executive Officer of the Company upon recommendation of the Nomination & Remuneration Committee with effect from August 09, 2021;
- (b) Mr. Rohan Mittal, Chief Financial Officer (CFO) & Chief Transformation Officer (CTO) of the Company resigned with effect from November 12, 2021 from the position of CFO & CTO.
- (c) The Board of Directors of the Company has appointed Mr. Anish T Mathew upon recommendation of the Nomination & Remuneration Committee with effect from February 04, 2022.

**11) 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.

**12) 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.

**13) 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.

**14) 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 Directors. 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 2021-22. 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.

**15) 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 a part of this Report.

**16) 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.

**17) 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, 2022, forms part of the Financial Statements.

**18) 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.

The brief outline of the Corporate Social Responsibility (CSR) Policy of your Company as adopted by the Board are set out in **Annexure-B** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. During the year, the Company has not spent any amount on CSR activity, because of its absence of the profits in the immediately three preceding financial years. The Composition of CSR Committee and CSR Policy are available on the Company's website [www.gati.com](http://www.gati.com).

**19) 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. 45 to the Financial Statements.

**20) Meetings of the Board and Committees**

Six 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.

**21) Vigil Mechanism**

The existing Whistle-blower Policy has been revised and the same being approved and adopted by Board of Directors

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

**22) 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.

**23) 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.

**24) 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, 2022, 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, 2022 and of the profit and loss of the Company for the financial year ended March 31, 2022;
- 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.

## 25) 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, 2022 in Form MGT-7 is available on the website of the Company at the link <https://www.gati.com/investor-relations/general/>

## 26) 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.

## 27) 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, 2022, which forms part to the Statutory Auditors Report.

## 28) 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 ₹ 735,141.42/- and interim dividend amounting to ₹6,89,565/- for the financial year 2013-14 and 2014-15 along with its corresponding shares totalling to 38,234 and 77,114 respectively.

This is to further inform the members that the Company has also completed the transfer of the unpaid or unclaimed dividend amounting to ₹ 732,890/- for the financial year 2012-13 along with its corresponding shares totalling to 30,689.

## 29) 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, expires at the conclusion of 27<sup>th</sup> AGM of the Company.

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, 2022.

The Board of Directors of the Company at their meeting held on May 20, 2022, on the recommendation of the Audit Committee, have made its recommendation for appointment of M/s. S. R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/



E300004) as the Statutory Auditors of the Company to be approved by the members at the 27<sup>th</sup> AGM of the Company for a term of five consecutive years. Accordingly, an ordinary resolution, proposing appointment of M/s. S. R. Batliboi & Associates LLP, as the Statutory Auditors 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, forms part of the Notice of the 27<sup>th</sup> AGM of the Company. The Company has received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

#### 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 2021-22. The Secretarial Audit Report for the financial year ended March 31, 2022 under the Act, read with Rules made thereunder and Regulation 24A of the Listing Regulations, is set out in the **Annexure – C-1** to this report, with the following observations and which are self-explanatory:

- a) One business transaction was discussed without being circulated in the agenda of Board Meeting and Nomination and Remuneration Committee Meeting.
- b) Few IEPF forms were filed late with additional fees due to technical error of MCA and subsequently filed and compliance have been met by the Company.
- c) The Company has received a mail from BSE, with reference to the Regulation 34 (Clause 31 of erstwhile Listing Agreement) corresponding to the FY 2014 for delay in submission of Annual Report to Stock Exchange. In this regard, the Company has paid the fine and complied with the direction of the BSE.

Further, the Secretarial Audit Report of the material subsidiary i.e. Gati-Kintetsu Express Private Limited for the financial year ended March 31, 2022, pursuant to requirement of Regulation 24A of the Listing Regulations, is set out in **Annexure – C-2** to this report.

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

#### 30) 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 (Account) Rules, 2014 is annexed as **Annexure – D**.

#### 31) 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.

On January 27, 2022, pursuant to approval by the shareholders of the Company through Postal Ballot, the Board including Nomination and Remuneration Committee ("NRC") has been authorized to grant ESARs to eligible employees of the Company, Holding Company, Subsidiary Company and Associate Company under the ESAR 2021 in one or more tranches, from time to time. The maximum number of ESARs under the ESAR 2021 shall not exceed 42,00,000 ESARs and the same shall be exercisable into such number of equity shares of face value of ₹ 2/- fully paid-up, where one ESAR upon exercise shall entitle for lesser than one equity share of the Company. To implement the ESAR 2021 the NRC has granted 31,05,000 ESARs to the eligible employees of the Company, Holding Company and Subsidiary Company and which shall vest as per the vesting schedule and vesting conditions.

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/>.

#### 32) 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, the Board of Directors of the Company issued and allotted 10,23,020 Equity Shares of face value of ₹ 2/- each ("Equity Shares") at a price of ₹ 97.75/- per Equity Share at a premium of ₹ 95.75/- per Equity Share, aggregating up to ₹ 10,00,00,205/- (Rupees Ten Crore Two Hundred and Five Only) and 71,61,120 Equity Warrants at a Price of ₹ 97.75/- per Equity Warrant with the right to warrant holder to apply for and be allotted 1 (One) Equity Share of the face value of ₹ 2/- each of the Company at a premium of ₹ 95.75/- per equity share for each Equity warrant within a period of 18 (Eighteen) months from the date of allotment of the warrants, aggregating up to ₹69,99,99,480/- (Rupees Sixty Nine Crores Ninety Nine Lacs Ninety Nine Thousand Four Hundred and Eighty Only) to Allcargo Logistics Limited, Promoter of the Company on Preferential issue basis in accordance with Chapter V of the Securities and Exchange Board of India (Issue of Capital and

Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), as amended, and other applicable laws.

Further, Issued, Subscribed and Paid-up Share Capital of the Company as at March 31, 2022 is ₹ 24,59,37,994/- divided into 12,29,68,997 equity shares of ₹ 2/- each.

### 33) Company's Policies

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

### 34) 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 - F**. 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.

### 35) 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.

### 36) Business Responsibility Report (BRR)

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

### 37) 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. Issue of shares (including sweat equity shares) to employees of your Company under any scheme.

3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
4. During the 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).
5. 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.
6. There were no material changes commitments affecting the financial position of your Company between the end of financial year (March 31, 2022) and the date of the report (May 20, 2022).
7. Company is not required to maintain cost records under Section 148(1) of the Act.
8. 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)

### 38) 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: May 20, 2022

# 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 2021-22 and percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during the financial year 2021-22, 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 2021-22
Mr. Shashi Kiran Shetty – Managing Director(@)	NA	NA
Mr. Pirojshaw Sarkari, Chief Executive Officer(^)	NA	NA
Mr. Rohan Mittal, Chief Financial Officer(\$)	61.86	-
Mr. Anish T. Mathew, Chief Financial Officer(#)	6.22	-
Mrs. T. S. Maharani, Company Secretary	11.95	11%

(@) Mr. Shashi Kiran Shetty is drawing remuneration from Allcargo Logistics Limited, Holding Company.

(^) Mr. Pirojshaw Sarkari appointed w.e.f. August 09, 2021 and he draws remuneration from GKEPL, Material Subsidiary Company.

(\$) Mr. Rohan Mittal resigned w.e.f. November 12, 2021.

(#) Mr. Anish T Mathew appointed w.e.f. February 04, 2022.

- ii) The median remuneration is ₹ 0.33 mn and the percentage increase in the median remuneration of employees in the financial year is 6%.
- iii) The number of permanent employees on the rolls of company as on March 31, 2022: 20
- 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 in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary 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

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

Place: Hyderabad  
Date: May 20, 2022

# Annexure – B

## Annual Report on CSR Activities to be Included in the Board's Report for Financial Year ended March 31, 2022

### 1. Brief outline on CSR Policy of the Company.

Gati Limited a socially responsible corporate by fulfilling its responsibilities as a member of the society and community, created a positive impact to the stakeholders with a concern towards the environment. The programs include Education, Community, Environment Sustainability and Rural Development Projects & Donations.

### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Kaiwan Kalyaniwalla	Chairman – Non Independent Director	01	01
2.	Mr. Dinesh Kumar Lal	Member – Independent Director	01	01
3.	Ms. Cynthia D'souza	Member – Independent Director	01	01

### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company - <https://www.gati.com/wp-content/uploads/2021/06/CSR-Policy.pdf>

### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). - Not Applicable

### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - Not Applicable

### 6. Average net profit of the company as per section 135(5) – NIL

Sl. No.	Particulars	Amount (₹ in Lakhs)
(a)	Two percent of average net profit of the company as per section 135(5)	-
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	-
(c)	Amount required to be set off for the financial year, if any	-
(d)	Total CSR obligation for the financial year (7a+7b-7c).	-

### 8. (a) CSR amount spent or unspent for the financial year: Not Applicable

Total Amount Spent for the Financial Year (in ₹ Lakhs)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount (in ₹ Lakhs)	Date of transfer	Name of the Fund	Amount	Date of transfer
-	-	-	-	-	-

### (b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

### (c) Details of CSR amount spent against other than ongoing projects for the financial year: Not Applicable

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹ Lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
-	-	-	-	-	-	-	-	-	-
<b>Total</b>		-	-	-	-	-	-	-	-

- (d) Amount spent in Administrative Overheads - NIL
- (e) Amount spent on Impact Assessment, if applicable - NIL
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) – Not Applicable
- (g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in ₹ Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years – Not Applicable

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	-	-	-	-	-	-	-
	<b>Total</b>	-	-	-	-	-	-

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) - Not Applicable
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) – Not Applicable

**Kaiwan Kalyaniwalla**  
Chairman of CSR Committee  
Director (DIN: 00060776)

**Shashi Kiran Shetty**  
Chairman & Managing  
(DIN: 00012754)

# Annexure – C-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

For the Financial Year Ending 31<sup>st</sup> March 2022

To  
The Members of  
GATI Limited  
Hyderabad.

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 31<sup>st</sup> March, 2022 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 31<sup>st</sup> March, 2022 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 31<sup>st</sup> March, 2022 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
- (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.

***During the period covered under audit, we further report that,***

- One business transaction was discussed without being circulated in the agenda of Board Meeting and Nomination and Remuneration Committee Meeting;
- Few IEPFs forms were filed late with additional fees due to technical error of MCA and subsequently filed and compliance have been met by the Company;
- The Company has received a mail from BSE, with reference to the Regulation 34 (Clause 31 of erstwhile Listing Agreement) corresponding to the FY 2014 for delay in submission of Annual Report to Stock Exchange. In this regard, the Company has paid the fine and complied with the direction of the BSE.

**We further report that**

- (i) based on the information provided by the Company, its officers and its authorised 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.

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

Sd/-

**CS Navajyoth Puttapparthi**  
Partner

FCS No: 9896; C P No: 16041

Peer Review Certificate No. 1158/2021

UDIN: F009896D000337951

Place: Hyderabad  
Date: 18<sup>th</sup> May, 2022

\*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  
Hyderabad.

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 **Puttaparthi Jagannatham & Co.**  
Company Secretaries

Sd/-  
**CS Navajyoth Puttaparthi**  
Partner

FCS No: 9896; C P No: 16041  
Peer Review Certificate No. 1158/2021  
UDIN: F009896D000337951

Place: Hyderabad  
Date: 18<sup>th</sup> May, 2022



# Annexure – C-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

For the Financial Year Ending 31<sup>st</sup> March 2022

To  
The Members of  
Gati-Kintetsu Express Private Limited  
Hyderabad.

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 M/s. 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 31<sup>st</sup> March, 2022 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 31<sup>st</sup> March, 2022 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 authorised 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 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

Peer Review Certificate No. 1158/2021

UDIN F009896D000338004

Place: Hyderabad

Date: 18<sup>th</sup> May, 2022

\*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'

---

To  
The Members of  
Gati-Kintetsu Express Private Limited  
Hyderabad.

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 **Puttaparthi Jagannatham & Co.**  
Company Secretaries

**CS Navajyoth Puttaparthi**  
Partner

FCS No: 9896; C P No: 16041  
Peer Review Certificate No. 1158/2021  
UDIN F009896D000338004

Place: Hyderabad  
Date: 18<sup>th</sup> May, 2022

# Annexure – D

## 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:

During the financial year, Gati IT launched 2 major customer centric projects CRM - Salesforce and Digital Payments:

- (i) **CRM - Salesforce:** Gati successfully implemented CRM - Salesforce for our sales, customer service and call center users. Both the Sales & Service modules of Salesforce CRM has been seamlessly integrated with our internal core application software Gati Enterprise Management Software (GEMS) and Omni channels like Whatsapp, website, customer portal, consumer mobile application, call center telephony and social listening tool. The new CRM gives Gati 360 degree visibility to the customer from all channels and enabled Gati to serve our customers faster and better.
- (ii) **Digital Payments:** Gati successfully rolled out digital payment option for customers through its booking, delivery mobile applications and payment SMS link. All our business partners are using this facility through our pickup and delivery mobile application. This initiative helps us to deliver shipment contact less and to get the amount transferred instantly.

### C) Foreign Exchange earnings and outgo:

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

Summary	(Amt in Lakhs.)	
	As at 31st March, 2022	As at 31st March, 2021
<b>Expenditure in foreign currency</b>	-	-
Travelling Expenses	-	-
Freight Expenses	-	56.4
<b>Earnings in Foreign Currency</b>	-	-
Interest Income	-	-
Freight Income	-	90.6

For and on behalf of the Board

Place: Hyderabad  
Date: May 20, 2022

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

# Annexure – E

## 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:

Name of the policy	Brief Description	Web link
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>
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>
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>
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>
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>
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>
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>
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>
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>
Code of Practices	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>
Procedures for Fair Disclosure of UPSI		
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>

For and on behalf of the Board

**Shashi Kiran Shetty**

Chairman & Managing Director

DIN: 00012754

Place: Hyderabad

Date: May 20, 2022

# Annexure-F

## 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, 2022, 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.

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
Ms. Cynthia D'souza (DIN: 00420046)	Non - Executive, Independent Director
Mr. Nilesh Shivji Vikamsey (DIN: 00031213)	Non - Executive, Independent Director
Mr. P N Shukla (DIN: 01868580) <sup>(a)</sup>	Non - Executive, Independent Director
Mr. Yasuhiro Kaneda (DIN: 07619127) <sup>(b)</sup>	Non - Executive, Nominee Director

#### Notes:

(a) w.e.f. August 03, 2021 Mr. P N Shukla ceased to be Director of the Company, due to the completion of his second term of office.

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

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 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, 2022 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	2	0	1	(i) Allcargo Logistics Limited (Promoter, Executive Director)
Mr. Kaiwan Kalyaniwalla	2	0	3	(i) Allcargo Logistics Limited (Non-Executive, Non-Independent Director)
Mr. Dinesh Kumar Lal	4	1	5	(i) Raymond Limited (Non-Executive, Independent Director)
Ms. Cynthia D'souza	1	1	1	(i) Allcargo Logistics Limited (Non-Executive, Independent Director)
Mr. Nilesh Shivji Vikamsey	7	3	9	(i) IIFL Finance Limited (Non-Executive, Independent Director) (ii) IIFL Wealth Management Limited (Non-Executive, Independent Director) (iii) Navneet Education Limited (Non-Executive, Non-Independent Director) (iv) Thomas Cook (India) Limited (Non-Executive, Independent Director) (v) PNB Housing Finance Limited (Non-Executive, Independent Director)
Mr. Yasuhiro Kaneda	0	0	1	-

\*\* 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 :-

Sl. 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.	Ms. Cynthia D'souza	--	✓	✓	✓	--
5.	Mr. Nilesh Shivji Vikamsey	✓	✓	✓	✓	✓
6.	Mr. Yasuhiro Kaneda	✓	--	--	✓	✓

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 2021-22, the Board met six times: on May 07, 2021, May 25, 2021, August 09, 2021, October 26, 2021, December 06, 2021 and February 04, 2022. 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 2021-22 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 22, 2021 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	5/6	Yes	--
Mr. Kaiwan Kalyaniwalla	Non - Executive, Non-Independent Director	6/6	Yes	--
Mr. Dinesh Kumar Lal	Non - Executive, Independent Director	6/6	Yes	--
Ms. Cynthia D'souza	Non - Executive, Independent Director	6/6	Yes	--
Mr. Nilesh Shivji Vikamsey	Non - Executive, Independent Director	6/6	Yes	--
Mr. P N Shukla <sup>(a)</sup>	Non - Executive, Independent Director	2/2	N.A.	16,000
Mr. Yasuhiro Kaneda <sup>(b)</sup>	Non - Executive, Nominee Director	6/6	Yes	--

**Notes:**

- (a) *w.e.f. August 03, 2021 Mr. P N Shukla ceased to be Director of the Company, due to the completion of his second term of office.*  
 (b) *Nominee Director being Equity Investor in GKEPL, represents Kintetsu World Express (S) Pte Ltd.*

**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/>. All Board members and senior management personnel have affirmed compliance with the code of conduct. A declaration signed by the Chairman to this effect is annexed at the end of this report.

**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 recently notified changes in 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 2021-22, one meeting of the Independent Directors was held on March 30, 2022. 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, 2022. 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 2021-22, the Audit Committee met five times viz., on May 07, 2021, May 25, 2021, August 09, 2021, October 26, 2021 and February 04, 2022. The below table gives the composition and attendance record of the Audit Committee.

Sl. No.	Name	Position	Number of meetings during the financial year	
			Held	Attended
1	Mr. Nilesh Shivji Vikamsey	Chairman	05	05
2	Mr. Dinesh Kumar Lal	Member	05	05
3	Mr. Kaiwan Kalyaniwalla	Member	05	05

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 22, 2021.

#### **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 cover 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 Option Scheme and looking after the issues relating to major HR policies.

During the financial year 2021-22, the Committee met four times i.e., on August 09, 2021, December 06, 2021, February 04, 2022 and March 17, 2022. The below table gives the composition and attendance record of the Nomination & Remuneration Committee.

Sl. No.	Name	Position	Number of meetings during the financial year	
			Held	Attended
1.	Mr. Dinesh Kumar Lal	Chairman	04	04
2.	Mr. Nilesh Shivji Vikamsey	Member	04	04
3.	Mr. Yasuhiro Kaneda	Member	04	04
4.	Mr. Kaiwan Kalyaniwalla <sup>(a)</sup>	Member	03	03
5.	Ms. Cynthia D'souza	Member	04	04

#### **Notes:**

(a) w.e.f. February 04, 2022 Mr. Kaiwan Kalyaniwalla ceased to be the member of the Committee.

The Company Secretary of the Company act as the secretary of the Committee.

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

The details of sitting fee paid to the Non-Executive Directors during the financial year 2021-22 and proposed commission are as follows:

Name	Sitting fee* (₹)	Commission (₹)
Mr. Shashi Kiran Shetty	---	---
Mr. Kaiwan Kalyaniwalla	---	---
Mr. Dinesh Kumar Lal	2,65,000	---
Ms. Cynthia D'souza	2,00,000	---
Mr. Nilesh Shivji Vikamsey	2,75,000	---
Mr. P N Shukla <sup>(a)</sup>	50,000	---
Mr. Yasuhiro Kaneda <sup>(b)</sup>	---	---
<b>TOTAL</b>	<b>7,90,000</b>	<b>---</b>

\*Sitting Fees for one of the Committee Meeting held during the March, 2022 was paid in the current financial year.

**Notes:**

- (a) w.e.f. August 03, 2021 Mr. P N Shukla ceased to be Director of the Company, due to the completion of his second term of office.
- (b) Nominee Director being Equity Investor in GKEPL, represents Kintetsu World Express (S) Pte Ltd.

No Commission for the financial year 2021-22 will be paid to the Directors.

An analysis of the investor complaints received and redressed during the financial year 2021-22 is given below:

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

The company obtains yearly certificate from a company Secretary in Practice under Regulation 40(9) of the Listing

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 one Independent Director and two Non-Independent 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 2021-22, the Committee met one time i.e., on February 04, 2022. The below table gives the composition and attendance record of the Stakeholders Relationship Committee.

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

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

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

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:

- i. Formulating and recommending to the Board the CSR Policy and activities to be undertaken by the company;
- ii. Recommending the amount of expenditure to be incurred on CSR activities of the company;
- iii. Reviewing the performance of the Company in the area of CSR;
- iv. Providing external and independent oversight and guidance on the environmental and social impact of how the company conducts its business;
- v. Monitoring CSR policy of the company from time to time;
- vi. Monitoring the implementation of the CSR projects or programs or activities undertaken by the company.
- vii. 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 financial year 2021-22, the Committee met one time i.e., on May 25, 2021. The below table gives the composition and attendance record of the Corporate Social Responsibility Committee.

Sl. No.	Name	Position	Number of meetings during the financial year	
			Held	Attended
1.	Mr. Kaiwan Kalyaniwalla	Chairman	01	01
2.	Ms. Cynthia D'souza	Member	01	01
3.	Mr. Dinesh Kumar Lal	Member	01	01

The Company Secretary of the Company act as the secretary of the Committee.

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 w.e.f. May 25, 2021 consisting of one Independent Director, one Non-Independent Director and one Senior Executive Member of the Company viz., Mr. Nilesh Shivji Vikamsey, Chairman, Mr. Kaiwan Kalyaniwalla, Member and Mr. Pirojsaw Sarkari, Member, pursuant to the amendment to Regulation 21(5) of the Listing Regulations came up on May 05, 2021.

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 policies, 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 2021-22, the Committee met twice i.e., on August 09, 2021 and January 27, 2022. The below table gives the composition and attendance record of the Risk Management Committee.

Sl. 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 <sup>(a)</sup>	Member	01	01
4.	Mr. Rohan Mittal <sup>(b)</sup>	Member	01	01

**Notes:**

(a) w.e.f. December 06, 2021 Mr. Pirojshaw Sarkari appointed as the member of the Committee.

(b) w.e.f. November 12, 2021 Mr. Rohan Mittal resigned from the Company.

The Company Secretary of the Company act as the secretary of the Committee.

## General Body Meetings

### (a) Annual General Meeting:

Year(s)	Date of AGM	Time	Venue	No. of Special resolutions passed
2020-21	September 22, 2021	3:00 P.M.	Meeting conducted through VC/OAVM pursuant to the MCA Circulars.	0
2019-20	December 28, 2020	3:00 P.M.	Meeting conducted through VC/OAVM pursuant to the MCA Circulars.	3
2018-19	September 25, 2019	12:00 Noon	Plot No. 20, Survey No. 12, Kothaguda, Kondapur, Hyderabad, Telangana – 500 084	5

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

During the year under review, Pursuant to Section 62(1)(c) of the Companies Act, 2013 and as per the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, the Members of the Company approved the raising of funds by way of issuance of equity shares and convertible warrants on preferential basis through Special resolution at the Extra-ordinary General Meeting held on June 03, 2021. The voting pattern of the same was as follows:

#### Item No. 1: Issuance of Equity shares to Promoters of the Company on Preferential Basis.

1	Total No. of Votes / Shares received	6,47,37,695
2	Total No. of Valid Votes/Shares	6,47,37,695 (100.00%)
3	Resolution Voting:	
<b>No. of votes/shares received for the resolution (%)</b>	<b>No. of votes/shares received against the resolution (%)</b>	<b>Invalid/Abstain votes</b>
6,19,51,279 (95.7%)	27,86,416 (4.3%)	0
<b>No. of Shareholders voted for the resolution</b>	<b>No. of Shareholders Voted against the resolution</b>	<b>No. of Shareholders Votes Neutral/Invalid/Abstain</b>
165	21	0

#### Item No. 2: Issuance of Equity warrants convertible into Equity Shares to Promoters of the Company on Preferential Basis.

1	Total No. of Votes / Shares received	6,47,37,640
2	Total No. of Valid Votes/Shares	6,47,37,640 (100.00%)
3	Resolution Voting:	
<b>No. of votes/shares received for the resolution (%)</b>	<b>No. of votes/shares received against the resolution (%)</b>	<b>Invalid/Abstain votes</b>
6,19,51,044 (95.7%)	27,86,596 (4.3%)	0
<b>No. of Shareholders voted for the resolution</b>	<b>No. of Shareholders Voted against the resolution</b>	<b>No. of Shareholders Votes Neutral/Invalid/Abstain</b>
161	23	0

The Company followed the procedure for conducting Extra-ordinary General Meeting as per the provisions of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014. Mr. P. Jagannatham, Scrutinizer submitted his report to the Chairman stating that the resolutions have been duly passed with the requisite majority.

(c) **Postal Ballot:**

During the year under review, the Company had conducted the following two Postal Ballots:-

- 1) Pursuant to Section 12 & 13 of the Companies Act, 2013, as amended the Members of the Company approved the Shifting of Registered Office of the Company from the State of Telangana to the State of Maharashtra at Mumbai by way of Special resolution through Postal Ballot. The same was passed on December 17, 2021. The voting pattern of the same was as follows:

**Item No. 1: Shifting of Registered Office of the Company from the State of Telangana to the State of Maharashtra at Mumbai.**

1	Total No. of Votes / Shares received	6,64,32,239
2	Total No. of Valid Votes/Shares	6,64,32,239 (100.00%)
3	Resolution Voting:	
<b>No. of votes/shares received for the resolution (%)</b>	<b>No. of votes/shares received against the resolution (%)</b>	<b>Invalid/Abstain votes</b>
6,36,47,174 (95.8%)	27,85,065 (4.2%)	0
<b>No. of Shareholders voted for the resolution</b>	<b>No. of Shareholders Voted against the resolution</b>	<b>No. of Shareholders Votes Neutral/ Invalid/Abstain</b>
395	35	0

- 2) Pursuant to Section 62(1)(b) of the Companies Act, 2013, read with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended the Members of the Company approved the Gati-Employees Stock Appreciation Rights Plan – 2021 along with the granting of Employee Stock Appreciation Rights to the Employees of the Company, Holding Company, Subsidiary Company and Associate Company by way of Special resolutions through Postal Ballot. The same was passed on January 27, 2022. The voting pattern of the same was as follows:

**Item No. 1: Approval of the 'Gati – Employees Stock Appreciation Rights Plan – 2021' ("ESAR 2021"/"Plan").**

1	Total No. of Votes / Shares received	6,32,75,270
2	Total No. of Valid Votes/Shares	6,32,75,270 (100.00%)
3	Resolution Voting:	
<b>No. of votes/shares received for the resolution (%)</b>	<b>No. of votes/shares received against the resolution (%)</b>	<b>Invalid/Abstain votes</b>
5,89,12,799 (93.11%)	43,62,471 (6.89%)	0
<b>No. of Shareholders voted for the resolution</b>	<b>No. of Shareholders Voted against the resolution</b>	<b>No. of Shareholders Votes Neutral/ Invalid/Abstain</b>
333	40	0

**Item No. 2: Approval for Grant of Employee Stock Appreciation Rights to the Employees of the Subsidiary Company(ies), of the Company under 'Gati - Employees Stock Appreciation Rights Plan -2021'**

1	Total No. of Votes / Shares received	6,32,75,110
2	Total No. of Valid Votes/Shares	6,32,75,110 (100.00%)
3	Resolution Voting:	
<b>No. of votes/shares received for the resolution (%)</b>	<b>No. of votes/shares received against the resolution (%)</b>	<b>Invalid/Abstain votes</b>
5,89,11,447 (93.10%)	43,63,663 (6.90%)	0
<b>No. of Shareholders voted for the resolution</b>	<b>No. of Shareholders Voted against the resolution</b>	<b>No. of Shareholders Votes Neutral/ Invalid/Abstain</b>
323	47	0

**Item No. 3: Approval for Grant of Employee Stock Appreciation Rights to the Employees of the Holding Company, of the Company under 'Gati - Employees Stock Appreciation Rights Plan-2021'**

1	Total No. of Votes / Shares received	6,32,74,110
2	Total No. of Valid Votes/Shares	6,32,74,110 (100.00%)
3	Resolution Voting:	
<b>No. of votes/shares received for the resolution (%)</b>	<b>No. of votes/shares received against the resolution (%)</b>	<b>Invalid/Abstain votes</b>
5,89,05,361 (93.10%)	43,68,749 (6.90%)	0
<b>No. of Shareholders voted for the resolution</b>	<b>No. of Shareholders Voted against the resolution</b>	<b>No. of Shareholders Votes Neutral/ Invalid/Abstain</b>
320	49	0

**Item No. 4: Approval for Grant of Employee Stock Appreciation Rights to the Employees of the Associate Company(ies), of the Company Under 'Gati - Employees Stock Appreciation Rights Plan-2021.**

1	Total No. of Votes / Shares received	6,32,75,210
2	Total No. of Valid Votes/Shares	6,32,75,210 (100.00%)
3	Resolution Voting:	
<b>No. of votes/shares received for the resolution (%)</b>	<b>No. of votes/shares received against the resolution (%)</b>	<b>Invalid/Abstain votes</b>
5,89,07,579 (93.10%)	43,67,631 (6.90%)	0
<b>No. of Shareholders voted for the resolution</b>	<b>No. of Shareholders Voted against the resolution</b>	<b>No. of Shareholders Votes Neutral/ Invalid/Abstain</b>
321	50	0

Mr. Navajyoth Puttapparthi, a Practising Company Secretary, (Membership No.: F9896), Partner, M/s. Puttapparthi Jagannatham & Co., Company Secretaries or failing him, Mr. Puttapparthi Jagannatham, a Practising Company Secretary (Membership No.: F4500), Partner, M/s. Puttapparthi Jagannatham & Co., Company Secretaries were appointed as the Scrutinizer to scrutinize the aforesaid Postal Ballots process by voting through electronic means only (remote e-voting) in a fair and transparent manner.

Procedure for postal ballots: The postal ballots were carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the Rules framed thereunder and read with the General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020 read with other relevant circulars, including General Circular No. 10/2021 dated June 23, 2021 respectively issued by the Ministry of Corporate Affairs.

**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:

Sl. 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.
2	BSE Limited	Non-appointment of Compliance officer under Regulation 6(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Imposing of fine of ₹ 37,760/- including GST, during the financial year 2019-20.	Company has paid the same to BSE Limited in time.
3	National Stock Exchange of India Limited	Non-appointment of Compliance officer under Regulation 6(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Imposing of fine of ₹ 37,760/- including GST, during the financial year 2019-20.	Company has paid the same to National Stock Exchange of India Limited in time.

Further, as per the Annual Secretarial Compliance Report issued by M/s. Puttapparthi Jagannatham & Co., the following non compliances were observed by them during the year:

Sl. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	Regulation 34 (Clause 31 of erstwhile Listing Agreement) – Delay in submission of Annual Report pertaining to the FY 2014.	The Company delayed (47 days) the submission of Annual Report to Stock Exchange.	The Company has received a mail dated 10.05.2021 from BSE Ltd to pay a fine for delay in submission of Annual Report to Stock Exchange pertaining to the Financial Year 2014. Further, the Company has paid the same and complied.

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 Kintetsu Express Private Limited (GKEPL), the materially unlisted subsidiary company. Mr. Nilesh Shivji Vikamsey, Independent Director of the Company was appointed on the Board of GKEPL w.e.f. May 18, 2021. 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 2021-22, Company has raised ₹10,00,00,205/- through preferential issue by issuing and allotting 10,23,020 Fresh Equity Shares of the Company 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).

Further, the Company has also raised ₹17,49,99,870/- against the twenty five percent of the total consideration of ₹ 69,99,99,480/- through preferential issue by issuing and allotting 71,61,120 Equity Warrants which will be convertible into Equity Shares of the Company 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, 2022 (In ₹)	Unutilized amount as at March 31, 2022 (In ₹)
(i) to repay debt	27,50,00,075/-	NIL
(ii) to meet working capital requirement		
(iii) General Corporate Purpose		

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	27
Tax Audit	-
Certification and other Fees	30
<b>Total</b>	<b>57</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 2021-22, no complaints regarding sexual harassment was received by the Company.

xii. During the financial year 2021-22, Board had accepted all the recommendation of committees of the Board.

### 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 2021-22 to the Board of Directors at their meeting held on May 20, 2022, 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". Official news releases, detailed presentations made to media, analysts, etc are available on the website of the Company i.e. 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:

- 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 15, 2022

Time: 3:00 PM

Mode of Meeting: Video Conferencing/Other Audio-Visual Means  
Deemed Venue: Registered Office of the Company situated at Plot No. 20, Survey No. 12, Kothaguda, Kondapur, Hyderabad, Telangana – 500 084.

#### 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 2022-23

Results for the quarter ended June 30, 2022	on or before August 14, 2022
Results for the quarter ended September 30, 2022	on or before November 14, 2022
Results for the quarter ended December 31, 2022	on or before February 14, 2023
Results for the year ended March 31, 2023	on or before May 30, 2023

#### Record date/Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 08, 2022 to Thursday, September 15, 2022 (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, 2022.

#### Credit Rating

During the financial year 2021-22, CARE Ratings Limited has revised the credit ratings of the Company vide its letter dated October 01, 2021, details of credit rating assigned by CARE Ratings Limited are given below:

Facilities/ Instruments	Amount (In Crs)	Revised Rating (October 01, 2021)	Remarks
Long Term Bank Facilities	3.88	CARE BBB; Stable	Assigned
Long Term Bank Facilities	7.38	CARE BBB; Stable	Revised from CARE BB+; Stable
Fixed Deposits	6.24	Care BBB; Stable	Revised from CARE BB+; Stable

#### 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 2021-22:

Particulars	Amount of Dividend (in ₹)
Dividend for the Financial Year 2012-13	7,32,890/-
Dividend for the Financial Year 2013-14	7,35,141.42/-
Interim Dividend for the Financial Year 2014-15	6,89,565/-

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.

Sl. no	Dividend for the year	Dividend %	Date of declaration	Due date for transfer
1	2014-15: Final	40	30.07.2015	29.08.2022
2	2015-16: Final	50	04.08.2016	03.09.2023
3	2016-17: Final	40	01.08.2017	31.08.2024
4	2017-18: Final	45	18.09.2018	17.10.2025
5	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 22, 2021 (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 30,689 shares, 38,234 shares and 77,114 number of equity shares pertaining to the FY 2012-13, FY 2013-14 and interim dividend for the FY 2014-15 respectively 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 three 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 all 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, 2022 is as under:

Sl. 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. Further, the Board of Directors of the Company have adopted revised code of Conduct to Regulate, Monitor and Report Trading in the Securities of the Company by Designated Persons at its meeting held on May 20, 2022. The code of conduct is available on the website of the Company i.e. 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, 2022 are as under:

Month	NSE		BSE	
	High	Low	High	Low
Apr-2021	108.60	93.15	108.50	93.20
May-2021	134.90	95.60	134.85	95.10
Jun-2021	179.95	118.50	179.70	118.50
Jul-2021	176.00	153.00	175.65	153.40
Aug-2021	167.50	120.00	167.30	120.00
Sep-2021	147.80	132.30	149.45	132.35
Oct-2021	157.60	133.20	157.50	133.20
Nov-2021	183.80	138.25	183.40	138.15
Dec-2021	206.00	148.10	206.10	148.25
Jan-2022	221.90	182.70	221.75	182.70
Feb-2022	216.95	140.05	216.75	141.25
Mar-2022	167.35	129.20	167.00	129.15

### 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, 2021	106.05	14,867.35	106.35	50,029.83
As on March 31, 2022	163.85	17,464.75	163.85	58,568.51
Changes (%)	54.50	17.47	54.07	17.07

Total equity as on March 31, 2022 was 12,29,68,997 (previous year 12,19,45,977) 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  
Website:- 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, 2022:

Particulars	No of Shares	%
Physical Segment (A)	6,82,753	0.56
Demat Segment (B)		
NSDL	4,74,90,783	38.62
CDSL	7,47,95,461	60.82
<b>Total (A+B)</b>	<b>12,29,68,997</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 2021-22 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, 2022:**

	No. of shares	No. of account	% of total account	No. of shares	% to Total shares
Upto	5,000	92,733	99.04	2,05,11,515	16.68
5,001	10,000	475	0.51	34,49,592	2.81
10,001	20,000	198	0.21	28,77,048	2.34
20,001	30,000	58	0.06	14,83,539	1.21
30,001	40,000	37	0.04	13,15,012	1.07
40,001	50,000	33	0.04	15,56,649	1.27
50,001	1,00,000	51	0.05	38,26,685	3.11
1,00,001	And above	46	0.05	8,79,48,957	71.52
<b>TOTAL</b>		<b>93,631</b>	<b>100.00</b>	<b>12,29,68,997</b>	<b>100.00</b>

**Categories of equity shareholding as on March 31, 2022:**

Sl. No	Category	No. of equity shares held	% of holding
1	Company Promoter / Promoter group	6,35,31,558	51.66
2	Foreign Institutional Investors	55,10,704	4.48
3	Banks / Mutual Funds / NBFC	1,05,835	0.09
4	Bodies Corporate	52,58,994	4.28
5	Individuals / HUF	4,15,46,104	33.79
6	Non Resident Indians	17,06,438	1.39
7	Foreign Corporate Bodies	43,29,114	3.52
8	IEPF	7,05,968	0.57
9	Clearing Members / Trusts	2,73,922	0.22
10	Foreign Nationals	360	0.00
<b>TOTAL</b>		<b>12,29,68,997</b>	<b>100.00</b>

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

During the year under review, on June 17, 2021, the Company issued and allotted in aggregate 71,61,120 equity warrants at a price of ₹ 97.75/- per warrant, each convertible into or exchangeable for One (1) equity share of face value of ₹ 2/- each at a premium of ₹ 95.75/- per share to Allcargo Logistics Limited (ACL), a Promoter entity, on preferential basis. The said warrants were allotted to ACL upon receipt of initial warrant subscription amount of ₹ 17,49,99,870/- equivalent to 25% of the warrant issue price (i.e. ₹ 97.75/- per warrant) 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.

Warrant holder can exercise options and convert into equity shares at any time during the period of 18 (Eighteen) months from the date of allotment of equity warrants, in one or more tranches, as the case may be and on such other terms and conditions as applicable.

Post conversion of entire warrants held by ACL, the percentage of shareholding of the ACL would increase from 47.30% to 50.20% of the paid-up share capital of the Company.

As on March 31, 2022, ACL was holding 71,61,120 warrants (on which 25% of share warrant subscription amount has already been received by 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 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  
Plot No. 20, Survey No. 12,  
Kothaguda, Kondapur,  
Hyderabad – 500 084  
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, 2022.

**For Gati Limited**

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

**Place: Hyderabad**  
**Date: May 20, 2022**

## CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
**GATI Limited**  
Plot No. 20, Survey No. 12,  
Kothaguda, 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 31<sup>st</sup> March, 2022, 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 31<sup>st</sup> March, 2022.

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.**

Sd/-

**CS Navajyoth Puttaparthi**

Partner

FCS No: 9896; C P No: 16041

Peer Review Certificate No. 1158/2021

UDIN: F009896D000324254

Place: Hyderabad  
Date: 15<sup>th</sup> May, 2022

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Board of Directors  
**GATI Limited**  
Plot No. 20, Survey No. 12,  
Kothaguda, 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 Plot No. 20, Survey No. 12, Kothaguda, 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 31<sup>st</sup> March, 2022 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	Shashi Kiran Janardhan Shetty	00012754	04/02/2020
2	Kaiwan Dossabhoy Kalyaniwalla	00060776	04/02/2020
3	Dinesh Kumar Lal	00037142	03/07/2020
4	Nilesh Shivji Vikamsey	00031213	05/02/2021
5	Cynthia Dsouza	00420046	03/07/2020
6	Yasuhiro Kaneda	07619127	04/11/2016

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.**

Sd/-

**CS Navajyoth Puttaparthi**

Partner

FCS No: 9896; C P No: 16041

Peer Review Certificate No. 1158/2021

UDIN: F009896D000324243

Place: Hyderabad  
Date: 15<sup>th</sup> May, 2022

# Management Discussion and Analysis Report

## Indian Economic Review

On the back of rapid vaccination program roll-out and Government support, India contained the impact of the COVID-19 third wave, while also pursuing the objective of economic recovery. Several high frequency indicators, such as electricity consumption, PMI manufacturing, exports, and e-way bill creation, reflect this. In addition, the Union Budget commitment to asset creation (public infrastructure development) in 2022-23 will re-energize the virtuous cycle of investment and crowd in private investment with huge multiplier effects, boosting inclusive and sustainable growth. India is expected to be among one of the fastest growing major economies, with the Reserve Bank of India (RBI) projecting GDP growth to be around 7.2% in 2023.

Economic activity continues to recover with resilient power demand, healthy toll collection and E-way bill generations. Highest ever GST collection of ₹ 1.68 crores in April 2022 which is 18% higher than the previous month, it also bespeaks growing business and trading turnover going beyond the festival season. To help nurture growth, systemic liquidity continues to be in surplus. Growth in non-food bank credit has accelerated with sectoral credit to agriculture, industry and services performing well. The PMI manufacturing remains in expansionary zone amid favorable demand conditions as seen in increase in new work orders along with improvement in business sentiments. Similarly, service activity has also strengthened owing to expansion in new orders, improved demand conditions and enhanced business confidence. Railway freight traffic continued to exhibit a sturdy performance.

### Outlook

The trajectory set for India's economy by the previous year's budget has been reinforced in the Union Budget 2022-23. The capex budget has been increased by 35.4% over the current year's budget predictions, amounting to 4.1% of GDP, which will fuel Gati Shakti's National Masterplan for seamless multimodal connectivity continues to be the key focus area for augmenting transportation and logistics infrastructure. Government focus on driving Public Private Partnership (PPP) projects and extension of Production Linked Incentive (PLI) schemes to new sectors is expected to drive growth in domestic manufacturing and create more jobs. Initiatives such as reducing import duty and excise tax on fuel are some of the steps taken to reduce input costs and ease inflationary pressure on industry seven engines, bridging the infrastructure gap and making life easier. The growth forecast for 2022-23 is based on the premise that India is expected to continue its growth trajectory, however, recent geopolitical developments are impacting economic disruption in inflation rates. Given India's import dependence on crude oil, natural gas, and other commodities are key indicators to be closely watched, particularly given the evolving geopolitical situations.

Source:

GST collection: [https://gstcouncil.gov.in/sites/default/files/gst-statistics/GST\\_Revenue\\_collection\\_april2022.pdf](https://gstcouncil.gov.in/sites/default/files/gst-statistics/GST_Revenue_collection_april2022.pdf)

Outlook: <https://www.ibef.org/economy/monthly-economic-report>

Logistics growth: <https://stockarea.io/blogs/logistics-market-in-india/>

## Indian Logistics Industry Overview

Indian Logistics remain an integral part of the overall development of the economy. The sector has seen higher emphasis by Government on improving the logistics network by creating the right infrastructure and policies for the overall benefit of the industry with key emphasis on bringing the logistics cost down. India's logistics market is expected to expand at an annual compounded growth rate of 10-12% over the next five years. The total available market spread across surface, air, e-commerce and contract logistics amount to ₹ 52,500 Crores approximately. Currently India's logistic cost is high which is targeted to reduce over the next five years. This reduction will be led by multiple initiatives like good infrastructure, increased compliance and efficient digital back bone.

Following are the key drivers:

- Strong demand from manufacturing (led by "Make in India" campaign), retail, automotive and pharmaceutical sectors and need for efficiency improvement in the newly created demand.
- Increasing shift of industry preferences towards integrated supply-chain services and other sophisticated solutions like inventory optimization and data analytics from isolated offerings like transportation or warehousing.
- Growth of e-commerce in India and demands for specialized needs of online delivery (amongst others, faster delivery, return management and cash-on delivery)

The logistics market is primarily comprised of transportation and warehousing, of which transportation accounts for majority of the share in Fiscal 2020. Organized players accounted for only ~10% of the logistics market in Fiscal 2020. Organized players are expected to grow at a CAGR of >25% between Fiscal 2020 and Fiscal 2026, taking their share to 17% by Fiscal 2026 of the logistics market (road transportation, warehousing & supply-chain services only). This shift is expected to be driven by the ability of organized players to offer integrated services, network and scale-driven efficiencies and larger investments in technology and engineering, resulting in higher share of wallet with customers.

### Growth Drivers for Organized Logistics players

#### Evolving B2C demand and consumption trends:

The rise in e-commerce was fuelled by growth in internet penetration and digital payments infrastructure across the country. Initially, the e-commerce activity was mainly related to major metro cities and urban centres, however over the past couple of years, e-commerce activity in the tier-2 and tier-3 cities as well as various towns spread across the country, has become the major driver in growth of the industry. The consumer expectations of shorter delivery time, smooth return policy and



cheaper pricing has also resulted in increasing competition not only amongst various e-commerce firms but also across various industries. This has resulted in increasing pricing competition amongst different express industry players as companies focus on finding diverse means of reducing their logistics cost.

### Value-Added Services

With the rise in competition, value-added services have become a necessity as against a luxury service provided by clients to their customers. The value-added services include picking, packaging, MIS reports, analytics service, mobile updates and online GPS enabled tracking, e-mail alerts among others. As the competition in the express industry increases, value added services are expected to play an ever increasing and important role in future growth of various companies.

### Evolving B2B demand and consumption patterns

- **Evolving business models:** The emergence of new digital-native segments, new distribution channels and go-to-market strategies such as direct-to-retail (D2R) and direct-to-consumer (D2C) are driving the need for innovation in the traditional B2B supply chain, with greater demand for supply-chain visibility, precision and value-added services.
- **Changing production trends:** Manufacturing accounts for 17% of India's GDP and has emerged as a high-growth sector on the back of strong push by the Indian Government through initiatives like Make in India, production linked incentives (PLI), Government tenders for domestically manufactured goods etc. As a result, Indian manufacturing has been transitioning from bulk commodities to non-commodity consumption-focused products which need faster go-to-market and more reliable and efficient logistics operations.
- **Emergence of new markets:** Economic growth of Tier-2+ towns is increasing demand for reliable turn-around times and efficiency comparable to larger urban centres, further driving the need for integrated, national logistics players.

### Enabling regulatory and policy reforms

The Indian Government has undertaken several regulatory and policy reforms to drive economic growth, enhance general capital formation, support infra-development and facilitate ease of doing business. These measures are rationalizing the indirect tax structure, improving transportation infrastructure and expanding connectivity, thereby improving overall logistics efficiency. GST in particular has been a key factor in catalysing the growth of organized logistics in India. By eliminating state border checkpoints and compliance scrutiny, GST has facilitated smoother and faster flow of goods across the country and significantly reduced overall transportation costs

### Technology-driven supply chain transformation

Sub-scale and predominantly manual operations have led to under-investment in technology and data capabilities by most traditional Indian logistics players. This has prevented companies from responding to changing customer needs, optimizing networks, efficiently utilising capacity and improving customer service.

### Data-driven decision support

Advanced data analytics capabilities when applied to integrated supply chain data has enabled new-age players to create more opportunities to optimize decisions such as facility placement, inventory management, fulfilment route selection, truck selection and fraud detection.

### Hardware and software automation

Warehouse and Transportation Management Systems (WMS/ TMS) are automating business workflows, reducing paperwork and improving operational visibility and precision. Further, 148 investments in automation and robotics are improving operational throughput and precision, thereby lowering human errors and operating costs.

### About Gati:

Gati Limited is India's pioneer in express distribution since its inception 1989, has transformed itself from express distribution service provider to multiple services and solution provider in logistics and distribution business. Gati takes pride in having an unparalleled network coverage comprises of air and road which spans across India and helps reach the hinterlands. With a strong presence through its nationwide extensive network across India, Gati offers express services to 99% of the GoI approved pincodes in India.

After strategically acquiring Gati in 2020, Allcargo Logistics is now the promoter and the single largest shareholder of Gati with 47.30% ownership, followed by KWE with about 3.5% shares in the company. Gati-Kintetsu Express Private Limited (Gati-KWE) is a Joint Venture between Gati – India's pioneer in Express Distribution and Kintetsu World Express (KWE) where KWE holds 30% stake in Gati-KWE and Gati holds the remaining 70%.

Gati's integrated and IT-backed multi-modal network allows it to offer end-to-end supply chain solutions specific to varied business requirements. The strategic collaboration with Allcargo enables Gati to leverage the strengths of Allcargo's global network operating in 180 countries and the synergies with Allcargo continues to strengthen immensely from the cross-selling of customised solutions that combine the strengths and expertise of both. India's end-to-end logistics solution are designed to offer services like Express Distribution, Supply Chain management solutions, Air freight, E-commerce logistics and Special services (Premium Flexilite, Laabh, Surface lite, Art express, Student express and Bike express). 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.

En-route to transformation 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. Gati which became an Allcargo Group company about two years ago and embarked on five pillars of transformation namely balance sheet restructuring, debt reduction, profitability, digital initiatives and governance which has laid the foundation in current year. The management has now embarked on Gati 2.0 transformational journey for next level of sustainable and

Source:

[https://www.indianchamber.org/wp-content/uploads/2022/02/Express-Logistics-Industry-Report-2022\\_compressed.pdf](https://www.indianchamber.org/wp-content/uploads/2022/02/Express-Logistics-Industry-Report-2022_compressed.pdf)

profitable growth. The updated pillars under this transformation would be a) digitization, b) sales acceleration, c) upgrading infrastructure facilities, d) streamlining operations and e) inducting experienced talent pool.

### GATI 2.0 – Journey to Profitable growth:

#### Digitalization:

Digitization is focused on enhancing customer's experience on the front end and having seamless operations on the backend by providing differentiated value-added services to our customers. Deployment of CRM system has enabled in managing customer relationships to take technology-based decision on back of rich and relevant data. Data science techniques have been implemented for route optimization and load planning which helps in providing better quality at best possible cost.

#### Sales Acceleration:

Sales acceleration initiatives have been built around re-alignment of the sales team structure and targeted approach. The new structure will continue to focus on key account management, MSME and retail clients and ensure highest levels of service with an aim to increase the market share.

The sales acceleration strategy also involves initiatives like market identification, market penetration, lost customer conversion and ensuring customer stickiness. The re-focused approach on the alignment of the sales team has generated new energy at the organization level, the benefit of which would be experienced in the times to come. The focus pyramid designed for special sales task force targeting MSME to position Gati as their preferred supply chain partner, the segment which we believe has enormous potential and would play a pivotal role in India's growth journey to becoming a five trillion economy is the micro small and medium scale enterprises. They are entrepreneurs with a purpose and we would like to partner with them and play a small integral role in their success journey fulfilling their vision. Our focus is to help them devise their time to market as well as go to market strategy that will not only help them to expand their reach but also to optimize their inventory level leveraging our unique integrated network and supply chain.

#### Infrastructure:

On the infrastructure front, during the year the first express distribution mega hub was inaugurated at Farukh Nagar, Haryana which is spread over 1 lakh + sq. ft having 89 docks which could load approximately 100 trucks and provide economics of scale and faster turnaround time. The plan is to build seven such mega hubs in next two years across the country which will lead to unmatched connectivity and strengthen leadership. These hubs will be future ready with automation, cross-docking, OCR, and other processing technology would be deployed aiming at creating these facilities into a world-class material handling and automation infrastructure as well as safety and technology process and systems. The next two hubs with similar facilities and scale will be operational in Mumbai and Bangalore by H1FY23 followed by Nagpur, Indore, Hyderabad in H2FY23, and then Cochin and Pune in H1FY24. The phased expansion of infrastructure will make Gati a preferred choice of logistics partner for customers.

#### Operations:

Gati is focused on building operational efficiencies by streamlining its operations with a strong balance between superior capabilities and appropriate cost optimization measures is essential to build a market-leading business. Operational efficiency from transshipment centres and hubs to line house centralization, digitization, pickup and delivery capacity expansion to improve quality management and various other several measures being actively worked upon with the asset-light model at its core to target margin improvement. Management is guiding to attaining an EBITDA margin of 12%.

#### Talent Pool:

Gati has made significant reinforcement in driving best practices for governance, risk assurance and process. In this regard adding high-quality talent and strengthening 2<sup>nd</sup> level to mid-level talent locally and globally to bring in rich experience and expertise. Management is promoting decentralized decision making, foster entrepreneurial spirits across the entity for organization success and healthy environment.

At Gati the idea is to be future ready and with the above-mentioned pillars in place the company is poised well to tackle challenges, gain customer confidence, build on operational efficiencies with digitization. These initiatives not only help the company grow but ensure continuous and sustainable profitability.

#### Financial Performance

During the year under review, at consolidated level, Gati achieved a revenue of ₹ 1,489 crore, EBITDA of ₹ 50 crore, PBT (before exceptional items) at loss of ₹ 13 crore and reported PAT at loss of ₹ 4 crore as against a revenue of ₹ 1,314 crore, EBITDA of ₹ 38 crore, PBT (before exceptional items) at loss of ₹ 48 crore and reported PAT at loss ₹ 246 crore, respectively in the previous year.

The Operating profit for the financial year ended March 2022 in case of the Company is mainly attributable to the initiatives undertaken by the management to enforce sales growth and bring in operational efficiencies. The company has managed profitability on account of improved operational efficiencies, reduction in debt and reduction in exceptional items.

#### Financial Ratios (On Consolidated basis)

Particulars	FY2021-22	FY2020-21
Debtors Turnover	4.61	4.11
Interest Coverage Ratio	0.54	(0.06)
Current Ratio	1.04	0.89
Debt Equity ratio	0.24	0.45
Operating Profit Margin (%)	3.34%	2.86%
Net Profit Margin (%)	(0.30)%	(18.71)%
Return on Equity	(1)%	(34)%

**Debtors Turnover:** The improvement in Debtors Turnover is due to robust revenue growth and impact of Covid - 19 pandemic in base year.

**Interest Coverage Ratio:** The improvement in interest coverage ratio is due to lower finance cost resulting from repayment of high interest debt, renegotiations on the interest costs of existing debt and improved operating performance.

**Current Ratio:** The current ratio has improved due to enhanced working capital efficiency.

**Debt Equity Ratio:** Improved Debt equity ratio is primarily due to debt reduction, exiting of non-core assets and subsidiaries, repayment of debts, increase in equity arising on account of improved earnings and issuance of fresh equity through preferential allotment.

**Operating Profit Margin:** Improved earnings is on account of growth in revenue and cost optimization initiatives undertaken during the year.

**Net Profit Margin:** Improved margin is driven by better business performance and nil exceptional losses during the year.

**Return on Equity:** Improved return is on account of better business performance and reduction in debt.

### Human Resources

The company focuses on creating an enriched environment for its employees where it lays the opportunities for growth. There is a complete focus on providing employees with a platform where they can continuously upgrade themselves and also stay up to date with the recent happenings in the logistics sector. There are various learning and development programs that are carried on through the year where employees can up-skill themselves. There are other engagement programs through which the organization supports physical and mental well-being of all its employees.

Human resource is a key enabler for the organization's growth. There are four key parameters around which the entire human resource program revolved for the year:

- 1) **Talent Retention:** The organization would reach out to employees through a structured engagement process which would involve compensation benchmarking and job evaluation study along with actionable. This would also entail proactive outreach to critical employees for ring fencing and to gauge attrition risk.
- 2) **Talent Management & Development:** Under the leadership development sessions for internal talent to be held at regular intervals to help identify and train the next line of succession. Along with this talent acquisition approach at all levels to be re-thought and re-aligned. Timely assessment of succession readiness for critical roles to be done in order to improve internal movement of key talent.
- 3) **Best in class policies & practices:** Key people policies like Local Conveyance, Travel Policy, Promotion policy for Associates and Executives. Under the Gati Employee Appreciation and Reward System (GEARS), employees to be rewarded for their contribution. Compliance of labor laws and hygiene policies to be given utmost importance.
- 4) **Global Benchmark & Employee Advocacy:** Gender hiring to be implemented along with targets right up to senior levels. Continuous gender and POSH sessions for all levels across the organization to be held.

### 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 unauthorized use or losses, the reliability of financial controls, and compliance with applicable laws and regulations.

Adequate internal control measures are in the form of various policies 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 of 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 2022, 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.

### **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 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 INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company** : L63011TG1995PLC020121
2. **Name of the Company** : Gati Limited
3. **Registered address** : Plot No. 20, Survey no. 12,  
Kothaguda, Kondapur,  
Hyderabad, Telangana – 500 084
4. **Website** : [www.gati.com](http://www.gati.com)
5. **E-mail ID** : [investor.services@gati.com](mailto:investor.services@gati.com)
6. **Financial Year reported** : 2021-22

7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

NIC Code of the product / service	Name and description of main products / services
52241, 52242, 52243	Cargo handling incidental to land, water & air transport.
47300	Retail sale of automotive fuel in specialized store (including the activity of petrol filling stations)

8. **List three key products/services that the Company manufactures/provides (as in balance sheet):**

- (i) Express Distribution (E-commerce)
- (ii) Fuel Stations

9. **Total number of locations where business activity is undertaken by the Company**

- (a) Number of International Locations (Provide details of major 5): NIL
- (b) Number of National Locations: We have our Registered office at Kondapur, Kothaguda, Hyderabad with 600+ locations spread across the country

10. **Markets served by the Company: National.**

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (INR)** : ₹ 24,59,37,994/-
2. **Total Turnover (INR)** : ₹24,955 Lakhs (Standalone)
3. **Total profit/(Loss)** : ₹(2,014) Lakhs (Standalone)
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**: Not Applicable

5. **List of activities in which expenditure in 4 above has been incurred:** Not Applicable

## SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**

Yes

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

No, the subsidiaries manage and carry out their own BR initiatives

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

No, currently, the suppliers/ vendors and distributors do not participate in Company's BR initiatives.

## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for BR

- (a) Details of the Director/Director responsible for implementation of the BR policy/policies and (b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	-
2	Name	Mr. Pirojshaw Sarkari
3	Designation	Chief Executive Officer
4	Telephone number	040-71204284
5	E-mail id	<a href="mailto:Investor.services@gati.com">Investor.services@gati.com</a>

### 2. Principle-wise National Voluntary Guidelines (NVGs) BR Policy/policies:

- P1** Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

**P3** Businesses should promote the well-being of all employees.

**P4** Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

**P5** Businesses should respect and promote human rights.

**P6** Businesses should respect, protect, and make efforts to restore the environment.

**P7** Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

**P8** Businesses should support inclusive growth and equitable development.

**P9** Businesses should engage with and provide value to their customers and consumers in a responsible manner.

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, The policies have been developed as per the National Voluntary Guidelines on Social, Environment and Economic responsibilities of businesses published by the Ministry of Corporate Affairs, Government of India in 2011, the Companies Act, 2013 ("the Act"), SEBI Listing Regulations and other statutory requirements.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes, all policies and policy statements are approved by the Board and policies at operational level are approved by respective functional heads.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	All policies are shared directly with respective stakeholders. Some of these can be viewed on <a href="https://www.gati.com/investor-relations/policies/">https://www.gati.com/investor-relations/policies/</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes, Whistle Blower Policy/Vigil Mechanism provides a platform to report any concerns or grievances pertaining to any potential or violation of any Code of Conduct.								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Our policies are reviewed and evaluated through internal audit functions.								

### 3. Governance related to BR

- (a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

Our BR performance being reviewed annually. We believe that such an annual review of BR performance will play a crucial role in enabling enhanced performance and alignment of business with stakeholder needs year on year.

- (b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The BRR of the Company is published on an annual basis and forms an integral part of Annual Report. It is also available on the Company's website at <https://www.gati.com/investor-relations/annual-report/>

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1 (P1): Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?**

Yes. Our policies are primarily applicable for only our company.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

We have not received any stakeholder complaints pertaining to ethics, transparency or accountability in the current reporting period. We encourage all our stakeholders to actively communicate with us so that we continually understand their perceptions of our company while they recognize our ethos of business ethics and responsibility.

### Principle 2 (P2): Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

- Phasing out of vehicles undergone aging of 5 years and ensuring new vehicles inducted in the network BS IV or above.
- On feeder routes, we are in process of replacing vehicles with CNG vehicles to be more fuel efficient in turn contribute towards energy conservation.
- 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 team (Drivers/Supervisors) of our network partners.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

- Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
- Reduction during usage by consumers (energy, water) has been achieved since the previous year?
  - Sewage treatment plants at our major STCs;
  - 50% energy saving by using power saving electric devices;

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Yes, we do have process and procedures in place for sustainable sourcing (including transportation), which are detailed hereunder:-

- Phasing out of vehicles undergone aging of 5 years and ensuring new vehicles inducted in the network BS IV or above.
- On feeder routes, we are in process of replacing vehicles with CNG vehicles to be more fuel efficient in turn contribute towards energy conservation.
- 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 team (Drivers/Supervisors) of our network partners.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

- Yes, we procure services and goods locally. Also provide employment opportunities to local communities.
- To improve capability and capacity, we impart regular training and skill development programmes.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Not Applicable

### Principle 3 (P3): Businesses should promote the well-being of all employees.

- Please indicate the Total number of employees:** 20
- Please indicate the Total number of employees hired on temporary/contractual/casual basis:** 01

3. Please indicate the Number of permanent women employees: 05
4. Please indicate the Number of permanent employees with disabilities: None
5. Do you have an employee association that is recognized by management: NA
6. What percentage of your permanent employees is members of this recognized employee association?: NA
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sl. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	None	None
2	Sexual harassment	None	None
3	Discriminatory employment	None	None

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?

Our L&D framework is designed to fuel future ready resources through structured 'Capability Development' initiatives based on a highly scientific approach, aiming at creating domain expertise and Leadership capabilities across levels and functions. We have initiated various learning interventions to meet talent requirement across various levels and functions such as GTRN (Graduate Trainee) Program, BDET (Business Development Executive Trainee) Program, Back2Basics (byte-sized customized chunks of continuous learning capsules) and PDW (Professional Development Workshop series) Program for Associates and Executives; AMTR (Assistant Manager Trainee) Program for assessing and developing the right Front-line Managers with the Framework being named as Discovering the Manager in You; Beyond Managing to Leading, a structured Leadership Development Framework for our Mid-Management level, Coaching on Leadership for Senior Leaders and several such domain-specific and behavioural interventions.

- (a) Permanent Employees – 100%
- (b) Permanent Women Employees – 100%
- (c) Casual/Temporary/Contractual Employees – None
- (d) Employees with Disabilities - None

**Principle 4 (P4): Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

1. Has the company mapped its internal and external stakeholders:  
Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders:  
Yes

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.:

The Company is committed to make difference in the lives of under privileged and economically challenged citizens. However, during the year the Company was not in a position to spend for any such welfare activities due to the financial position of the Company.

**Principle 5 (P5): Businesses should respect and promote human rights.**

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes, our company policies and practices related to protection of human rights i.e. sexual harassment, child labor, etc. extends to all our stakeholders.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

In the current reporting financial year 2021-22, the Company has not received any stakeholder complaint.

**Principle 6 (P6): Businesses should respect, protect and make efforts to restore the environment.**

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

Our values and policies related to principle 6 extends to all our stakeholders.



2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

As a part of environment sustainability, the Company constantly encourages green initiatives in their day to day operations.

3. Does the company identify and assess potential environmental risks? Y/N

Yes

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes, in respect to the point no. 4 & 5 above, Company has taken the following initiatives:-

- Phasing out of vehicles undergone aging of 5 years and ensuring new vehicles inducted in the network BS IV or above.
- On feeder routes, we are in process of replacing vehicles with CNG vehicles to be more fuel efficient in turn contribute towards energy conservation.
- 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 team (Drivers/Supervisors) of our network partners.
- Drivers' training programs are being organized and conducted periodically to improve their driving skills, safe driving, better vehicle maintenance and improved fuel efficiency of vehicle.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, our emissions and waste are within permissible limits.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

None

**Principle 7 (P7): Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- Express Industry Council of India;
- Confederation of Indian Industry;

(c) International Market Assessment India Private Limited

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

No

**Principle 8 (P8): Businesses should support inclusive growth and equitable development.**

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, the major projects undertaken under our CSR activities focusing primarily on:

- Education;
- Health care;
- Woman Empowerment;
- Natural Disaster Relief; and
- Environmental Sustainability.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

Our CSR activities are carried out through combination of in-house team, our foundations and various other registered NGO's. The projects are managed by a mix of in-house teams and external partners.

3. Have you done any impact assessment of your initiative?

No

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

The total expenditure made during the FY 2021-22 is NIL. Though the Company is committed to make difference in the lives of under privileged and economically challenged citizens, however, during the year the Company was not in a position to spend for any such welfare activities due to the financial position of the Company.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes, all our initiatives, whether implemented directly or in partnership with another agency, are meant to address the direct needs of the beneficiaries such as:

- Healthcare;
- Plantation of trees and its maintenance;
- Women Empowerment / Skill Development;
- Natural Disaster Relief.

**Principle 9 (P9): Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Approx. 1.5%

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

Our Company is a Service providing company and this does not apply

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes

# 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 2022, the Statement of Profit and Loss, (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss including other comprehensive loss, changes in equity and its cash flows 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) 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 (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules there under, 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 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 of the current period. 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.

We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the 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 financial statements. The results of our audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matters
1	<p><b>Recoverability of Trade Receivable (See Note 9 to the Standalone Financial Statements)</b></p> <p>The gross balance of trade receivables as at March 31, 2022 amounted to ₹ 2,219 Lakhs. Due to the inherent subjectivity that is involved in making judgments in relation to credit risk exposures to determine the recoverability of trade receivables, recoverability of trade receivables is considered a key audit matter.</p>	<p>Our audit with respect to determining recoverability of Trade Receivables included the following:</p> <ul style="list-style-type: none"> <li>Evaluating the Company's processes and controls relating to the monitoring of trade receivables and review of credit risks of customers.</li> <li>Examination of management's assessment of the credit review procedures of trade receivables, obtaining trade receivable confirmations, and mapping receipts from the trade receivables after the year end on test basis.</li> <li>Evaluation of management's assumptions used to determine the expected credit loss on the trade receivables, through detailed analyses of ageing of receivables to historical patterns of receipts, assessment of material overdue individual trade receivables and risks specific to the trade receivable.</li> </ul>
2	<p><b>Reasonableness of carrying amount of Assets held for sale (See Note 15 to the financial statements)</b></p> <p>The Company has classified assets earmarked for disposal as Assets held for sales. Assets held for sales carried at lower of cost or fair value. Fair value has been estimated using significant unobservable input including 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>Our audit with respect to determining carrying value of Assets held for sales included the following:</p> <ul style="list-style-type: none"> <li>Evaluating the Company's processes and controls relating to the classification and valuation of assets held for sale</li> <li>Examination of management's assessment of expectation of outcome of negotiation with prospective buyer.</li> <li>Review of independent valuation report of independent external valuer</li> </ul>

### Information Other than the Standalone Financial Statements and Auditor's Report thereon

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 the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the 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, changes in equity and cash flows

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 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 and estimation to determine the likelihood and/or timing of cashflows and the interpretation of preliminary and pending court rulings.

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.

Those 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 scepticism 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 system 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 standalone 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 of the current period 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

## 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 A" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143 (3) of the Act, based on our audit, 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 Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement 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 the relevant rules thereon.

- (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 over financial reporting with respect to standalone financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B” of this report.
- (g) The Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable.
- (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 financial statements – Note 46 and 37 (1)(a) to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to investor education and protection fund by the company.
  - iv. (a) The management has represented that, to the best of it’s knowledge and belief, as disclosed in the notes to the accounts, 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 person or entity, 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 (refer note – 57.v to the financial statements);
- (b) The management has represented, that, to the best of it’s knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the company from any person 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 (refer note – 57.vi to the financial statements); and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. The Company has not declared any dividend in the last year which has been paid in the current year. Further, no dividend has been declared in the current year.

For **Singhi & Co.**  
Chartered Accountants  
(Firm’s Registration No. 3020409E)

**(Anurag Singhi)**  
Partner

Place: New Delhi  
Date: 20<sup>th</sup> May, 2022

Membership No. 066274  
UDIN : 22066274AJIQL1147

# Annexure - A to the Independent Auditor's Report

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to statutory audit of Gati Limited for the year ended March 31, 2022)

We report that:

- i.
    - (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
    - B. The Company has maintained proper records showing full particulars of intangible assets.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
  - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.
  - (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii.
    - (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
    - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
    - iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
    - iv. According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
    - v. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has complied with the provisions of Sections 73 to 76 or other relevant provisions of the Act and the rules framed thereunder where applicable and the directives issued by the Reserve Bank of India as applicable, with regard to deposits or amounts which are deemed to be deposits. As informed to us, there have been no proceedings before the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this matter and no order has been passed by any of the aforesaid authorities in this regard.
    - vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
    - vii.
      - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in

the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities, though there have been slight delays in a few cases of professional tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable, except as mentioned below:

Name of the statute	Nature of the dues	Amount (₹ In Lakhs )	Period to which the amount relates	Due date	Date of payment	Remarks, if any
Professional Tax	Professional Tax	0.24	FY-2020-21 & FY-2021-22	Various	Not yet paid	Coimbatore & Pondicherry

- (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, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows: -

Name of the statute	Nature of the dues	Amount (₹ In Lakhs )	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	4,434.49	From Year 2005 -2016	CESTAT, Audit Commission-erate, Commissioner of Service tax

viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

ix.

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on

account of or to meet the obligations of its subsidiaries as defined under the Act.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

x.

- (a) In our opinion, and according to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any private placement of shares or fully or partly convertible debentures during the year. In our opinion, in respect of preferential allotment of equity shares made during the year, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. The proceeds from issue of equity shares have been used for the purposes for which the funds were raised.

xi.

- (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported



- during the year, nor have we been informed of any such case by the management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, a report under Section 143(12) of the Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in Compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv.
- (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv. According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable to the Company.
- xvi.
- (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CIC's, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has incurred cash losses of ₹ 1,324.42 lakhs in the current financial year and ₹ 6,581.10 lakhs in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (refer note – 56 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the 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 the 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. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **Singhi & Co.**  
Chartered Accountants  
(Firm's Registration No. 3020409E)

**(Anurag Singhi)**  
Partner

Place: New Delhi  
Date: 20<sup>th</sup> May, 2022

Membership No. 066274  
UDIN : 22066274AJIQL1147

# Annexure – B to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date in respect to statutory audit of Gati Limited for the year ended March 31, 2022)

## Report on the Internal Standalone Financial Controls Over Financial Reporting 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 statement of Gati Limited ('the Company') as of March 31, 2022 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 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 statement 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') issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 financial Statement 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 financial statement and their operating effectiveness. Our audit of internal financial controls with reference to financial statement included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 system over financial reporting with reference to financial Statement.

### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 standalone financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statement and such internal financial control with reference to financial statement

were operating effectively as at March 31, 2022, 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 ICAI. However financial control over contract revenue mapping in information technology system need to be further strengthened.

For **Singhi & Co.**  
Chartered Accountants  
(Firm's Registration No. 3020409E)

**(Anurag Singhi)**

Partner

Place: New Delhi  
Date: 20<sup>th</sup> May, 2022

Membership No. 066274  
UDIN : 22066274AJIQL1147

# Balance Sheet

as at March 31, 2022

Particulars	Notes	(₹ in lakhs)	
		As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, Plant and Equipment	3A	2,484	3,169
Right-of-use Assets	3B	839	882
Investment in Subsidiaries	4	55,310	55,367
Deferred tax Assets (Net)	5	-	-
Non Current Tax Asset (Net)		652	629
Other non-current assets	6	137	254
		<b>59,422</b>	<b>60,301</b>
<b>CURRENT ASSETS</b>			
Inventories	7	279	331
<b>Financial assets</b>			
Current Investments	8	1,011	-
Trade receivables	9	870	837
Cash and Cash Equivalents	10	547	1,021
Bank Balances other than above	11	177	289
Loans	12	3	797
Other Financial assets	13	345	227
Other current assets	14	340	241
Assets classified as held for sale	15	5,133	7,401
		<b>8,705</b>	<b>11,144</b>
		<b>68,127</b>	<b>71,445</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	16	2,459	2,439
Other Equity	17	60,759	60,007
<b>TOTAL EQUITY</b>		<b>63,218</b>	<b>62,446</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
<b>Financial liabilities</b>			
Borrowings	18	105	1,260
Lease Liabilities	19	5	32
Other financial liabilities	20	12	24
Provisions	21	35	8
		<b>157</b>	<b>1,324</b>
<b>CURRENT LIABILITIES</b>			
<b>Financial liabilities</b>			
Borrowings	22	299	746
Lease Liabilities	19	2	15
Trade payables	23	-	-
(a) Total Outstanding Dues of micro and small enterprises		-	-
(b) Total Outstanding Dues of creditor other than micro and small enterprises		257	365
Other financial liabilities	24	3,328	3,908
Other current liabilities	25	861	381
Current Tax Liabilities		-	2,257
Provisions	26	5	3
		<b>4,752</b>	<b>7,675</b>
		<b>4,909</b>	<b>8,999</b>
<b>TOTAL LIABILITIES</b>		<b>68,127</b>	<b>71,445</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			
		<b>68,127</b>	<b>71,445</b>

Significant accounting policies and key accounting estimates and judgements

1&2

The accompanying significant accounting policies and notes form an integral part of the Standalone Financial Statements

**As per our report on even date**

**For and on behalf of the Board of Directors**

For **Singhi & Co.**  
Chartered Accountants  
ICAI Firm Registration No: 302049E

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

**Pirojshaw Sarkari**  
Chief Executive Officer

**Anurag Singhi**  
Partner  
Membership no: 066274

**Anish T Mathew**  
Chief Financial Officer  
M. No. 211965

**T S Maharani**  
Company Secretary  
M No. F8069

Place: New Delhi  
Date: May 20, 2022

Place: Hyderabad  
Date: May 20, 2022

# Statement of Profit and Loss

for the Year ended March 31, 2022

Particulars	Notes	(₹ in lakhs)	
		Year Ended March 31, 2022	Year Ended March 31, 2021
<b>I INCOME</b>			
Revenue from Operations	27	24,955	27,445
Other Income	28	805	1,205
<b>TOTAL INCOME (I)</b>		<b>25,760</b>	<b>28,650</b>
<b>II EXPENSES</b>			
Operating Expenses	29	1,683	2,659
Purchase of stock-in-trade		22,162	23,820
Changes in Inventories of Stock-in-Trade	30	51	(129)
Employee benefits expense	31	410	655
Finance Costs	32	139	669
Depreciation and amortization expense	33	109	188
Other expenses	34	1,231	1,365
<b>TOTAL EXPENSES (II)</b>		<b>25,785</b>	<b>29,227</b>
<b>III PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)</b>		<b>(25)</b>	<b>(577)</b>
<b>IV Exceptional Items</b>	35	<b>2,296</b>	<b>16,001</b>
<b>V PROFIT/(LOSS) BEFORE TAX (III-IV)</b>		<b>(2,321)</b>	<b>(16,578)</b>
<b>VI TAX EXPENSES</b>	36		
Current Tax		16	-
Deferred Tax		-	-
Tax Related to earlier years		(323)	1,053
<b>TOTAL TAX EXPENSES</b>		<b>(307)</b>	<b>1,053</b>
<b>VII PROFIT/(LOSS) FOR THE YEAR (V-VI)</b>		<b>(2,014)</b>	<b>(17,632)</b>
<b>VIII OTHER COMPREHENSIVE INCOME (OCI)</b>			
<b>Items not to be reclassified to profit or loss in subsequent periods:</b>			
Remeasurement gains/(losses) on defined benefit plans		(7)	71
Income tax effect on above items		-	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, (NET OF TAX)</b>		<b>(7)</b>	<b>71</b>
<b>IX TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VII+VIII)</b>		<b>(2,021)</b>	<b>(17,561)</b>
<b>X EARNINGS PER EQUITY SHARE</b>	44		
<b>(NOMINAL VALUE PER SHARE: ₹ 2/- (PREVIOUS YEAR ₹ 2/-))</b>			
Basic (in ₹)		(1.64)	(14.46)
Diluted (in ₹)		(1.64)	(14.46)

The accompanying significant accounting policies and notes form an integral part of the Standalone Financial Statements

**As per our report on even date**

For **Singhi & Co.**  
Chartered Accountants  
ICAI Firm Registration No: 302049E

**Anurag Singhi**  
Partner  
Membership no: 066274

Place: New Delhi  
Date: May 20, 2022

**For and on behalf of the Board of Directors**

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

**Pirojshaw Sarkari**  
Chief Executive Officer

**Anish T Mathew**  
Chief Financial Officer  
M. No. 211965

**T S Maharani**  
Company Secretary  
M No. F8069

Place: Hyderabad  
Date: May 20, 2022

# Cash Flow Statement

for the Year ended March 31, 2022

Particulars	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>A: Cash Flow From Operating Activities</b>		
Profit/(Loss) Before Taxes after exceptional items as per Statement of Profit and Loss	(2,321)	(16,578)
<b>Adjustments For :</b>		
Depreciation and amortization expense	109	188
Net (gain) / loss on sale of Property, plant & equipment	44	1,641
Impairment allowance on Property, plant & equipment	524	-
Net (gain) / loss on assets held for sale	214	9,833
Net (gain)/Loss on sale of asset held for sale	78	-
Impairment allowance for Investment	57	120
Expenses related to Share based payment schemes	-	1
Finance Costs	139	669
Allowance for Doubtful Receivables	201	423
Bad debts and advances written off	69	281
Provision for bad debts no longer required written back	(26)	(281)
Allowance for advances	2	2,256
Allowance for Capital Advances	14	-
Interest Income	(16)	(73)
Net Gain on Investments measured at FVTPL	(7)	-
Net (gain)/ loss on sale of Mutual Funds	(12)	(80)
Interest Income on refund of Income Tax	(33)	(31)
Liability no longer required written back	(171)	(27)
Net (gain)/ loss on sale of investments	(6)	(111)
Investments written down	-	909
Net (gain) / loss Foreign Exchange	(2)	9
Provision for Loan to subsidiary	-	1,242
Unwinding of other financial assets carried at amortised cost	-	(211)
Severance payment on disposal of Investment in GKIL	1,305	-
Share based payment - Expense (ESARs - Equity)	3	-
<b>Operating Profit/(Loss) Before changes in operating assets and liabilities</b>	<b>165</b>	<b>181</b>
<b>Adjustment for changes in operating assets and liabilities:</b>		
Decrease / (Increase) in Inventories	51	(129)
Decrease / (Increase) in Trade receivables	(160)	852
Decrease / (Increase) in Other current Assets	(100)	99
Decrease / (Increase) in Other Non current Assets	104	-
Decrease / (Increase) in Other Current Financial Assets	(66)	217
Decrease / (Increase) in Loans	792	(15)
Increase / (Decrease) in Trade payable	(53)	(4,182)
Increase / (Decrease) in Current Financial Liabilities	(552)	(326)
Increase / (Decrease) in Current Liabilities	31	(347)
Increase / (Decrease) in provisions	21	(26)
<b>Cash generated from Operating Activities</b>	<b>233</b>	<b>(3,676)</b>
Direct Taxes paid (net of refunds)	(1,940)	(1,165)
<b>Net Cash flow generated/(used) from Operating Activities</b>	<b>(1,707)</b>	<b>(4,841)</b>
<b>B: Cash Flow From Investing Activities :</b>		
Proceeds from sale of Property Plant and Equipment and AHS	2,528	5,676
Purchase of Property Plant and Equipment including lease improvements	(90)	(14)
Sale proceeds from Current Investments	4,408	-
Purchase of Current Investments	(5,400)	7,862
Sale proceeds from Current/ Non current Investments	6	111
(Purchase)/Proceeds from Bank Fixed Deposit	113	265
Interest Received	18	77
Severance payment on disposal of Investment in GKIL	(1,305)	-
<b>Net Cash flow generated/(used) in Investing Activities</b>	<b>278</b>	<b>13,977</b>

# Cash Flow Statement

for the Year ended March 31, 2022

Particulars	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>C: Cash Flow From Financing Activities</b>		
Proceeds from issue of equity shares and share warrants (Net of issue expenses)	2737	-
Proceeds from long term borrowings	-	388
Repayment of long term borrowings	(1,344)	(6,026)
Proceeds from Public deposits	-	44
Repayment of Public deposits	(297)	(669)
Movement in short term borrowings (Net)	-	(2,104)
Payment of Unpaid Dividend	(22)	-
Payment of Principal Portion of Lease liabilities	(1)	(12)
Payment of interest on Lease liabilities	-	(7)
Interest Paid	(119)	(757)
<b>Net Cash flow generated/(used) from Financing Activities</b>	<b>955</b>	<b>(9,143)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(473)</b>	<b>(7)</b>
Cash and Cash Equivalents at the beginning of the year	1,021	1,028
<b>Cash and Cash Equivalents at the end of the year/Period</b>	<b>547</b>	<b>1,021</b>

**Notes:**

1. 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**

	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Cash on hand	16	18
Balance with Banks:		
In Current Accounts	474	1,003
Deposits with original maturity of less than three months	57	-
<b>Cash and Cash Equivalents (Refer Note 10)</b>	<b>547</b>	<b>1,021</b>

**Reconciliation of movements of liabilities to cash flows arising from financing activities**

	(₹ In Lakhs)				
	Public Deposits	Short Term Borrowings	Long Term Borrowings *	Lease liabilities	Interest Accrued but not due
<b>Balance as at April 1, 2020</b>	1,268	2,104	6,979	77	147
Cash Flow Changes (Net)	(605)	(2,104)	(5,635)	(12)	-
Interest Expense	-	-	-	7	662
Interest Paid	-	-	-	(7)	(757)
Others	-	-	-	(18)	2
<b>Balance as at March 31, 2021</b>	<b>663</b>	<b>-</b>	<b>1,344</b>	<b>47</b>	<b>54</b>
Cash Flow Changes (Net)	(259)	-	(1,344)	(1)	-
Interest Expense	-	-	-	0	139
Interest Paid	-	-	-	(0)	(119)
Others	-	-	-	(39)	(63)
<b>Balance as at March 31, 2022</b>	<b>404</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>12</b>

(\*) Includes current maturities of long term borrowings

**Note:**

- Public deposits balance does not include the obligation related to unpaid matured deposits which is grouped under "Other Current Financial liabilities".
- Wherever amounts are "0", the value is less than rupees fifty thousand.

**As per our report on even date**For **Singhi & Co.**

Chartered Accountants

ICAI Firm Registration No: 302049E

**Anurag Singhi**

Partner

Membership no: 066274

Place: New Delhi

Date: May 20, 2022

**For and on behalf of the Board of Directors****Shashi Kiran Shetty**

Chairman &amp; Managing Director

DIN: 00012754

**Anish T Mathew**

Chief Financial Officer

M. No. 211965

Place: Hyderabad

Date: May 20, 2022

**Pirojshaw Sarkari**

Chief Executive Officer

**T S Maharani**

Company Secretary

M No. F8069

# Statement of Changes in Equity

for the Year ended March 31, 2022

## A) Equity Share Capital

Particulars	No of Shares	(₹ In Lakhs)
<b>Balance as at March 31, 2020</b>	<b>12,19,45,977</b>	<b>2,439</b>
Changes in Equity Share Capital for the year ended March 31, 2021	-	-
<b>Balance as at March 31, 2021</b>	<b>12,19,45,977</b>	<b>2,439</b>
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>

## B) Other Equity

Particulars	Reserves and Surplus								Money Received against Share warrants	Total
	Securities Premium	General Reserve	Capital Reserve	Tonnage Tax Reserve (utilised)	Share Option Outstanding account	Share based Payment reserve - ESAR's	Special Reserve	Retained Earnings		
<b>Balance as at March 31, 2021</b>	<b>34,100</b>	<b>8,785</b>	<b>2,084</b>	<b>929</b>	-	-	<b>22,336</b>	<b>(8,228)</b>	-	<b>60,007</b>
Profit/(Loss) for the current 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 current 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>(10,248)</b>	<b>1,750</b>	<b>60,759</b>

Particulars	Reserves and Surplus								Money Received against Share warrants	Total
	Securities Premium	General Reserve	Capital Reserve	Tonnage Tax Reserve (utilised)	Share Option Outstanding account	Share based Payment reserve - ESAR's	Special Reserve	Retained Earnings		
Balance as at March 31, 2020	34,100	8,740	2,084	929	45	-	22,336	9,333	-	77,568
Profit/(Loss) for the year	-	-	-	-	-	-	-	(17,632)	-	(17,632)
Transfer from employee stock option on cancellation	-	45	-	-	(45)	-	-	-	-	-
Other Comprehensive Income	-	-	-	-	-	-	-	71	-	71
<b>Balance as at March 31, 2021</b>	<b>34,100</b>	<b>8,785</b>	<b>2,084</b>	<b>929</b>	-	-	<b>22,336</b>	<b>(8,228)</b>	-	<b>60,007</b>

The accompanying significant accounting policies and notes form an integral part of the Standalone Financial Statements

### As per our report on even date

For **Singhi & Co.**  
Chartered Accountants  
ICAI Firm Registration No: 302049E

**Anurag Singhi**  
Partner  
Membership no: 066274

Place: New Delhi  
Date: May 20, 2022

### For and on behalf of the Board of Directors

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

**Pirojshaw Sarkari**  
Chief Executive Officer

**Anish T Mathew**  
Chief Financial Officer  
M. No. 211965

Place: Hyderabad  
Date: May 20, 2022

**T S Maharani**  
Company Secretary  
M No. F8069



# Notes to Financial Statements

for the Year ended March 31, 2022

## 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 Plot no.20, Survey no.12, Kothaguda, Kondapur, Hyderabad - 500 084. Telangana, India. The company is primarily engaged in the business of E-commerce logistics, Integrated Freight Forwarding (Domestic and International) 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 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.

### 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:

- (i) Defined benefit obligation
- (ii) Recognition of current tax and deferred tax
- (iii) Recognition and measurement of provisions and contingencies
- (iv) Fair value measurement of Financial instruments
- (v) Provision for Doubtful Debts and advances
- (vi) Share based payments

### 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 sold or consumed 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 23, 2022, MCA amended the Companies (Indian Accounting

# Notes to Financial Statements

for the Year ended March 31, 2022

Standards) Amendment Rules, 2022, applicable from April 1<sup>st</sup>, 2022, as below:

- i. **Ind AS 103 – Reference to Conceptual Framework** - The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.
- ii. **Ind AS 16 – Proceeds before intended use** - The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.
- iii. **Ind AS 37 – Onerous Contracts** - Costs of Fulfilling a Contract - The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.
- iv. **Ind AS 109 – Annual Improvements to Ind AS (2021)** - The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to de-recognise a financial liability.
- v. **Ind AS 116 – Annual Improvements to Ind AS (2021)** - The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

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 cost, less any 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, 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 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 disclosed separately as Other Non-current Assets.

### Non-current assets held for sale

Non-current assets held for sale 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.

# Notes to Financial Statements

for the Year ended March 31, 2022

- 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.
- 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 (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 Intangible Assets:

Intangible assets are stated at acquisition cost net of accumulated amortisation or cumulative impairment, if any. The Company capitalizes identifiable costs relating to development of internally generated software and these are stated net of accumulated amortisation.

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.

## 2.3 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 identified 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 2.4 Impairment of non-financial 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

# Notes to Financial Statements

for the Year ended March 31, 2022

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.

## 2.4 Impairment assets:

- a. 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 have decreased and such reversal is recorded in the Statement of Profit and Loss.
- 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.

## 2.5 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.

## 2.6 Investments in Subsidiaries and Associates :

The Company has accounted for its investments in subsidiaries and associates at cost less accumulated impairment.

## 2.7 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.

## 2.8 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) **Rendering of 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

# Notes to Financial Statements

for the Year ended March 31, 2022

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.

## 2.9 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument in 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

# Notes to Financial Statements

for the Year ended March 31, 2022

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	<p>These assets are subsequently measured at amortised cost using the effective interest method (EIR).</p> <p>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.</p>
Equity investments at FVOCI	<p>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.</p>
Financial assets at FVTPL	<p>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.</p>

(ii) **Financial Liability:**

Financial liabilities are classified and measured at amortised cost or FVTPL

a) Initial Recognition & Subsequent measurement:

- **Financial liabilities through fair value through profit or loss (FVTPL):**

A financial liability is classified as 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

# Notes to Financial Statements

for the Year ended March 31, 2022

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 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 instruments:**

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) 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.

**b) 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

# Notes to Financial Statements

for the Year ended March 31, 2022

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 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.

**c) 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.

**d) 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 Income taxes :

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 comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

**a) 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.

**b) Deferred tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.



# Notes to Financial Statements

for the Year ended March 31, 2022

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

## 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 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 Financial Statements

for the Year ended March 31, 2022

## 3A. Property, Plant and Equipment Tangible Assets

Particulars	Gross Block				Accumulated Depreciation and Impairment				Net Carrying Value As at March 31, 2022		
	As at March 31, 2021	Additions	Deductions/ Adjustment	Assets reclassified to held for Sale	As at March 31, 2022	Depreciation for the year	Impairment for the year	Deductions/ Adjustment		Assets reclassified to held for Sale	
Freehold Land	2,176	-	-	-	2,176	-	524	-	-	524	1,652
Buildings	594	-	-	20	574	10	-	-	15	97	477
Vehicles	208	-	84	-	124	20	-	52	-	63	61
Plant & Machinery	310	-	35	-	275	20	-	9	-	123	152
Computers	804	-	2	-	802	13	-	1	-	798	4
Furniture & Fittings	563	-	-	-	563	30	-	-	-	435	128
Office Equipments	104	1	-	-	105	5	-	-	-	95	10
<b>TOTAL</b>	<b>4,759</b>	<b>1</b>	<b>121</b>	<b>20</b>	<b>4,619</b>	<b>98</b>	<b>524</b>	<b>63</b>	<b>15</b>	<b>2,135</b>	<b>2,484</b>

(₹ In Lakhs)

Particulars	Gross Block				Accumulated Depreciation and Impairment				Net Carrying Value As at March 31, 2021		
	As at March 31, 2020	Additions	Deductions/ Adjustment	Assets reclassified to held for Sale	As at March 31, 2021	Depreciation for the year	Impairment for the year	Deductions/ Adjustment		Assets reclassified to held for Sale	
Freehold Land	21,414	-	6,516	12,722	2,176	-	-	-	-	-	2,176
Buildings	2,854	-	533	1,727	594	46	-	87	178	102	492
Vehicles	223	14	29	-	208	28	-	(2)	-	95	113
Plant & Machinery	310	-	-	-	310	20	-	-	-	112	198
Computers	804	-	-	-	804	32	-	-	-	787	18
Furniture & Fittings	563	-	-	-	563	30	-	-	-	405	158
Office Equipments	104	-	-	-	104	7	-	-	-	90	14
<b>TOTAL</b>	<b>26,272</b>	<b>14</b>	<b>7,078</b>	<b>14,449</b>	<b>4,759</b>	<b>163</b>	<b>-</b>	<b>85</b>	<b>178</b>	<b>1,591</b>	<b>3,169</b>

(₹ In Lakhs)

### Notes:

- The Company has not capitalized any borrowing cost during the year. (March 31, 2021 - Nil)
- Refer Note 15 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.

# Notes to Financial Statements

for the Year ended March 31, 2022

d) 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

## 3B. Right of use Assets (ROU)

(₹ In Lakhs)

Particulars	Gross Block				Accumulated Depreciation			Net Carrying Value As at March 31, 2022		
	As at March 31, 2021	Additions	Deductions/ Adjustment	Assets reclassified to held for Sale	As at March 31, 2022	Depreciation for the year	Deductions/ Adjustment		Assets reclassified to held for Sale	
Leasehold Land	911	89	-	89	911	10	-	-	78	833
Buildings	68	-	68	-	-	-	29	-	-	-
Vehicles (ALD Car)	-	7	-	-	-	1	-	-	1	6
<b>Total</b>	<b>979</b>	<b>96</b>	<b>68</b>	<b>89</b>	<b>911</b>	<b>11</b>	<b>29</b>	<b>-</b>	<b>79</b>	<b>839</b>

(₹ In Lakhs)

Particulars	Gross Block				Accumulated Depreciation			Net Carrying Value As at March 31, 2021		
	As at March 31, 2020	Additions	Deductions/ Adjustment	Assets reclassified to held for Sale	As at March 31, 2021	Depreciation for the year	Deductions/ Adjustment		Assets reclassified to held for Sale	
Leasehold Land	1,034	-	-	123	911	11	-	9	68	843
Buildings	107	-	39	-	68	14	21	-	29	39
<b>Total</b>	<b>1,141</b>	<b>-</b>	<b>39</b>	<b>123</b>	<b>979</b>	<b>25</b>	<b>21</b>	<b>9</b>	<b>97</b>	<b>882</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.
- The company's obligation under finance leases are secured by lessor's title to the leased assets.

# Notes to Financial Statements

for the Year ended March 31, 2022

## 4. Investment in Subsidiaries

	As at March 31, 2022		As at March 31, 2021	
	Numbers / Units	Amount	Numbers / Units	Amount
(₹ In Lakhs)				
<b>Investments measured at Cost</b>				
<b>Equity Instrument (Unquoted)</b>				
Zen Cargo Movers Pvt. Ltd. of ₹ 10/- each	3,62,163	36	3,62,163	36
Less: Impairment Allowance		(36)		(36)
		-		-
Gati Import Export Trading Ltd. of ₹ 10/- each (Refer Note 50)	23,00,000	230	23,00,000	230
Less: Impairment Allowance	-	(177)	-	(120)
		<b>53</b>		<b>110</b>
Gati Kausar India Ltd. of ₹ 10/-each (*)	-	-	52,12,526	4,014
Less: Impairment Allowance	-	-	-	(4014)
		-		-
<b>Total (A)</b>		<b>53</b>		<b>110</b>
Gati Kintetsu Express Pvt Ltd. of ₹ 10/- each	3,50,000	55,255	3,50,000	55,255
Gati Logistics Parks Private Ltd. of ₹ 10/- each	10,000	1	10,000	1
Gati Projects Private Ltd. of ₹ 10/- each	10,000	1	10,000	1
<b>Total (B)</b>		<b>55,257</b>		<b>55,257</b>
<b>Grand Total (A+B)</b>		<b>55,310</b>		<b>55,367</b>

Aggregate amount of Unquoted Investments and Impairment allowance of Investments are given as below:

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Aggregate carrying cost of Unquoted Investments (Net of Impairment allowance)	55,310	55,367
Aggregate Impairment Allowance	213	4,170

(\*) Investment in subsidiary i.e., Gati Kausar India Ltd. ceased to be a subsidiary with effect from July 14, 2021. The company has retained 7,518 number of equity shares as investment amounting to ₹ 8 lakhs which is fully provided in earlier years.

## 5 Deferred tax Assets (Net)

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Deferred Tax Asset</b>		
Allowance for Doubtful Receivables & Loans	422	454
<b>Deferred Tax Liability</b>		
Property, Plant and Equipment	(420)	(400)
Others	(2)	(54)
<b>Total</b>	<b>-</b>	<b>-</b>

### Note:

Deferred tax asset arising on account of business loss, allowance for doubtful receivables and advances, allowance for impairment of investments etc. has been recognised in books only to the extent of deferred tax liability. 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.

# Notes to Financial Statements

for the Year ended March 31, 2022

## 6. Other non-current assets

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Capital Advance	115	115
Less: Provision for capital Advance	(114)	(100)
	<b>1</b>	<b>15</b>
Balances with statutory Authorities	134	137
Prepaid Expenses	-	8
Others	2	94
<b>Total</b>	<b>137</b>	<b>254</b>

## 7. Inventories

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>(At lower of cost or Net realisable value)</b>		
Stock in Trade	279	331
<b>Total</b>	<b>279</b>	<b>331</b>

**Note:** No inventories were pledged as security for liabilities during the year and comparable year.

## 8. Current Investments

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Investment at Fair value through Profit &amp; Loss (Unquoted)</b>		
Kotak Overnight Fund - Growth : 22337.285 (31 March 2021 Nil) Units	253	-
ICICI Prudential Overnight Fund - Growth: 221120.158 (31 March 2021 Nil) Units	252	-
Tata Overnight Fund - Growth: 22603.20 (31 March 2021 Nil) Units	253	-
Nippon India Overnight Fund - Growth: 222632.61 (31 March 2021 Nil) Units	253	-
<b>Total</b>	<b>1,011</b>	<b>-</b>

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Aggregate Market Value of Unquoted Investments	1011	-
Aggregate carrying cost of Unquoted Investments	1004	-

## 9. Trade receivables

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Unsecured</b>		
Considered Good	870	837
Credit Impaired	1,349	1,174
	<b>2,219</b>	<b>2,011</b>
Less: Allowance for Doubtful Receivables (Refer Note - 41C)	(1,349)	(1,174)
<b>Total</b>	<b>870</b>	<b>837</b>

# Notes to Financial Statements

for the Year ended March 31, 2022

## Ageing for trade receivables as at 31st March, 2022

(₹ In Lakhs)

	Outstanding for following periods from the date of transaction#						Total
	Unbilled	Less than 6 months	6 months - 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
i) Undisputed Trade receivables - Considered good	0	583	103	-	-	-	686
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables - Credit impaired	-	19	51	89	53	52	264
iv) Disputed Trade receivables - Considered good	-	-	-	-	16	168	184
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables - Credit impaired	-	-	-	11	87	987	1,085
<b>Gross Trade Receivables</b>	<b>0</b>	<b>602</b>	<b>154</b>	<b>100</b>	<b>156</b>	<b>1,207</b>	<b>2,219</b>
Less: Allowances for Doubtful Receivables							(1349)
<b>Balance as on March 31, 2022</b>							<b>870</b>

## Ageing for trade receivables as at 31st March, 2021

(₹ In Lakhs)

	Outstanding for following periods from the date of transaction#						Total
	Unbilled	Less than 6 months	6 months - 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
i) Undisputed Trade receivables - Considered good	10	537	12	0	-	-	559
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables - Credit impaired	-	18	14	65	1	76	174
iv) Disputed Trade receivables - Considered good	-	-	-	5	2	271	278
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables - Credit impaired	-	10	1	103	121	765	1,000
<b>Gross Trade Receivables</b>	<b>10</b>	<b>565</b>	<b>27</b>	<b>173</b>	<b>124</b>	<b>1,112</b>	<b>2,011</b>
Less: Allowances for Doubtful Receivables							(1174)
<b>Balance as on March 31, 2021</b>							<b>837</b>

(#) Ageing is from the date of transaction which is different from the due date.

### Note:

- No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person.
- For details of debts due from firms or private companies in which any director is a partner, a director or a member, Refer note no. 45 of related party transactions
- Trade receivables are non interest bearing and are generally on terms of 30 to 90 days
- Wherever amounts are "0", the value is less than rupees fifty thousand.

# Notes to Financial Statements

for the Year ended March 31, 2022

## 10. Cash and Cash Equivalents

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Cash on hand	16	18
Balance with Banks:		
In Current Accounts	474	1,003
Deposits with original maturity of less than three months	57	-
<b>Total</b>	<b>547</b>	<b>1,021</b>

## 11. Bank Balances other than disclosed in note 10 above

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>In earmarked accounts</b>		
Deposits with original maturity of more than three months and less than twelve months	113	203
Unpaid Dividend account	64	86
<b>Total</b>	<b>177</b>	<b>289</b>

## 12. Loans

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, Considered Good, unless otherwise stated</b>		
Loans receivable from subsidiary	3	38
Loan receivable with credit Impaired	164	164
Less: Allowance for Doubtful Loans	(164)	(164)
	<b>3</b>	<b>38</b>
<b>Secured, Considered doubtful</b>		
Loan to Subsidiary (Refer note: 49)	1,443	2,001
Less: Allowance for Doubtful Loans	(1443)	(1242)
	-	<b>759</b>
<b>Total</b>	<b>3</b>	<b>797</b>

## 13. Other Financial assets

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>(Unsecured, Considered good unless otherwise stated)</b>		
Accrued Interest on Deposits, Loans & investments, etc.	7	2,166
Less: Allowance for Doubtful receivables	-	(2157)
	<b>7</b>	<b>9</b>
Other Receivables	384	230
Less: Allowance for Doubtful receivables	(62)	(60)
	<b>322</b>	<b>170</b>
Other Advances receivable	2,275	2,307
Less: Allowance for Doubtful receivables	(2,259)	(2,259)
	<b>16</b>	<b>48</b>
<b>Total</b>	<b>345</b>	<b>227</b>

# Notes to Financial Statements

for the Year ended March 31, 2022

## 14. Other current assets

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>(Unsecured, Considered good unless otherwise stated)</b>		
Operational Advance	240	134
Less: Provision for doubtful operational advances	(18)	(18)
	<b>222</b>	<b>116</b>
Prepaid Expenses	6	9
Balances with statutory authorities	156	116
Less: Allowance for doubtful receivables	(49)	-
Others	5	-
<b>Total</b>	<b>340</b>	<b>241</b>

## 15. Assets classified held for sale

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>A) Property, Plant &amp; Equipment</b>		
Land & Building	4,700	6,968
Plant & Machinery	59	59
Furniture & Fixtures	327	327
Office Equipment	47	47
<b>Total</b>	<b>5,133</b>	<b>7,401</b>

## B) Investments

	(₹ In Lakhs)			
	As at March 31, 2022		As at March 31, 2021	
	Numbers / Units	Amount	Numbers / Units	Amount
<b>Investment in an Associate</b>				
Gati Ship Ltd. 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.

## 16. Equity Share Capital

	(₹ In Lakhs)			
	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
<b>Authorized:</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:</b>				
Equity Shares of ₹ 2/- each fully paid up	12,29,68,997	2,459	12,19,45,977	2,439
		<b>2,459</b>		<b>2,439</b>
<b>Subscribed and Paid-up:</b>				
Equity Shares of ₹ 2/- each fully paid up	12,29,68,997	2,459	12,19,45,977	2,439
		<b>2,459</b>		<b>2,439</b>



# Notes to Financial Statements

for the Year ended March 31, 2022

## a) 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.

## b) Reconciliation of equity shares outstanding at the beginning and at the end of the year:

(₹ In Lakhs)

Equity Shares of ₹ 2 each fully paid	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning of the year	12,19,45,977	2,439	12,19,45,977	2,439
Share issued on allotment	10,23,020	20	-	-
<b>Shares at the end of the year</b>	<b>12,29,68,997</b>	<b>2,459</b>	<b>12,19,45,977</b>	<b>2,439</b>

During the year the Company has issued and allotted 10,23,020 Equity Shares of face value of ₹ 2/- each ("Equity Shares") at a price of ₹ 97.75/- per Equity Share at a premium of ₹ 95.75/- per Equity Share, aggregating up to ₹ 1,000 lakhs.

## c) Details of shareholders holding more than 5% of the aggregate shares in the Company:

(₹ In Lakhs)

Name of Share holder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Shares of ₹ 2 each fully paid held by				
Allcargo Logistics Limited	5,81,68,975	47.30%	5,71,45,955	46.86%
Mr. Mukul Mahavir Agrawal	63,01,596	5.12%	63,01,596	5.17%
<b>Total</b>	<b>6,44,70,571</b>	<b>52.43%</b>	<b>6,34,47,551</b>	<b>52.03%</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.

## f) Details of shareholdings by the Promoter's

Sl. No.	Name of the Promoter	As at March 31, 2022		As at March 31, 2021		% Change during the Year
		Number of Shares	% of Shareholding	Number of Shares	% of Shareholding	
1	Allcargo Logistics Limited (effective from 08-04-2020)	5,81,68,975	47.30	5,71,45,955	46.86	2%
2	Neera And Children Trust	23,15,889	1.88	23,15,889	1.90	-
3	Mahendra Kumar Agarwal	15,45,735	1.26	15,74,935	1.29	-2%
4	TCI Finance Limited	5,79,998	0.47	10,03,250	0.82	-42%
5	Mahendra Kumar Agarwal & Sons HUF	5,46,083	0.44	5,46,083	0.45	-
6	Bunny Investments & Finance Private Limited	40,000	0.03	2,73,126	0.22	-85%
7	Mahendra Investment Advisors Private Limited	1,51,577	0.12	1,51,577	0.12	-
8	Jubilee Commercial & Trading Private Limited	1,49,823	0.12	1,49,823	0.12	-
9	Dhruv Agarwal Benefit Trust	8,750	0.01	1,08,750	0.09	-92%
10	Manish Agarwal Benefit Trust	24,728	0.02	24,728	0.02	-
	<b>TOTAL</b>	<b>6,35,31,558</b>	<b>51.66</b>	<b>6,32,94,116</b>	<b>51.90</b>	

# Notes to Financial Statements

for the Year ended March 31, 2022

## 17. Other Equity

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
a) Securities Premium	35,067	34,100
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	(10,248)	(8,227)
g) Money Received Against share warrants	1750	-
h) Share based payment reserve (ESARs - Equity)	56	-
<b>Total Other Equity</b>	<b>60,759</b>	<b>60,007</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**: This reserve is the retained earnings of the company, which are kept aside out of the Company's profit to meet future (known or unknown) obligations.
- 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 will be utilized in accordance with the provisions of Section 115VT of Income tax Act 1961 to comply with the provisions of 'Tonnage Tax Scheme' under Chapter XII-G.
- 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 interalia, permits creation of a capital reserve to be called Special Reserve to which shall be credited excess of value of assets over value of liabilities on amalgamation of the subsidiaries amounting to ₹ 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.

# Notes to Financial Statements

for the Year ended March 31, 2022

## h) Money received against Share Warrants

(₹ In Lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Opening Balance</b>	-	-
Add - Received during the year	1,750	-
Less - Converted during the year	-	-
<b>Closing Balance</b>	<b>1,750</b>	-

The shareholders of the Company vide resolution dated 04<sup>th</sup> June 2021 have approved the issue of Convertible Warrants on Preferential basis to the Promoter "Allcargo Logistics Limited ("ACL")" in accordance with Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), as amended, and other applicable laws. Accordingly, the Company had issued 71,61,120 Equity Warrants at a price of ₹ 97.75/- per Equity Warrant with the right to warrant holder to apply for and be allotted 1 (One) Equity Share of the face value of ₹ 2/- each of the Company at a premium of ₹ 95.75/- per equity share for each Equity warrant within a period of 18 (Eighteen) months from the date of allotment of the warrants i.e. June 17, 2021, aggregating up to ₹ 7,000 lakhs. Consequently, after the conversion of the Equity Warrants, the shareholding of the ACL will be 50.20%. The prospective allottees had paid ₹ 1750 lakhs towards 25% value of total consideration payable for the Warrants. In case of non exercise of warrants within the period of 18 months, the same shall stand forfeited and the money received against the same shall not be refunded by the Company.

As at 31<sup>st</sup> March 2022, 71,61,120 Warrants (Previous Year NIL) were pending to be converted into Equity Shares of ₹ 2 /- each. The warrants would be converted into equivalent number of shares on payment of balance amount.

## 18. Non Current Borrowings

(₹ In Lakhs)

	As at March 31, 2022		As at March 31, 2021	
	Non- Current	Current Maturities	Non- Current	Current Maturities
<b>Secured</b>				
i) Term Loan From Banks	-	-	854	488
ii) Term Loan From Financial Institutions	-	-	-	2
<b>Sub Total (A)</b>	-	-	<b>854</b>	<b>490</b>
<b>Unsecured</b>				
Fixed deposits from public	105	299	406	256
<b>Sub Total (B)</b>	<b>105</b>	<b>299</b>	<b>406</b>	<b>256</b>
<b>Total (A+B)</b>	<b>105</b>	<b>299</b>	<b>1,260</b>	<b>746</b>

## 19. Lease Liabilities

(₹ In Lakhs)

	As at March 31, 2022		As at March 31, 2021	
	Non- Current	Current	Non- Current	Current
Lease Liabilities (Refer Note: 38)	5	2	32	15
<b>Total</b>	<b>5</b>	<b>2</b>	<b>32</b>	<b>15</b>

## 20. Other financial liabilities (Non Current)

(₹ In Lakhs)

	As at	As at
	March 31, 2022	March 31, 2021
Interest accrued but not due on borrowings	12	24
<b>Total</b>	<b>12</b>	<b>24</b>

# Notes to Financial Statements

for the Year ended March 31, 2022

## 21. Non Current Provisions

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Employee Benefits		
Gratuity (Refer Note: 39)	29	-
Leave Encashment	6	8
<b>Total</b>	<b>35</b>	<b>8</b>

## 22. Current Borrowings

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
Current Maturities of Long-term Borrowing Term Loan (Refer Note 18)	299	746
<b>Total</b>	<b>299</b>	<b>746</b>

## 23. Trade Payables

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>For Goods and Services</b>		
Total Outstanding dues of micro and small enterprises (Refer Note No: 40)	-	-
Total Outstanding dues of creditors other than micro and small enterprises	257	365
<b>Total</b>	<b>257</b>	<b>365</b>

### Ageing for trade payables as at 31st March, 2022

	(₹ In Lakhs)					
	Outstanding for following periods from the date of transaction#					
	Unbilled	Less than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	Total
i) Undisputed dues - MSME	-	-	-	-	-	-
ii) Undisputed dues - Others	46	30	28	118	35	257
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputes dues - Others	-	-	-	-	-	-
	<b>46</b>	<b>30</b>	<b>28</b>	<b>118</b>	<b>35</b>	<b>257</b>

### Ageing for trade payables as at 31st March, 2021

	(₹ In Lakhs)					
	Outstanding for following periods from the date of transaction#					
	Unbilled	Less than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	Total
i) Undisputed dues - MSME	-	-	-	-	-	-
ii) Undisputed dues - Others	40	138	152	24	11	365
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputes dues - Others	-	-	-	-	-	-
	<b>40</b>	<b>138</b>	<b>152</b>	<b>24</b>	<b>11</b>	<b>365</b>

(#)Ageing is from the date of transaction which is different from the due date.

# Notes to Financial Statements

for the Year ended March 31, 2022

## 24. Other financial liabilities

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Security Deposits	399	804
Corporate Guarantee Obligation	-	3
Interest accrued but not due on Borrowings	-	30
Unpaid Dividends	64	86
Employee benefits Liabilities	73	121
Unpaid matured deposits and interest accrued thereon	87	93
Liability towards guarantee invoked	2,360	2,360
Others	345	412
<b>Total</b>	<b>3,328</b>	<b>3,908</b>

## 25. Other current liabilities

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Statutory dues payable	37	54
Other Advances	824	326
<b>Total</b>	<b>861</b>	<b>381</b>

## 26. Current Provisions

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Employee Benefits</b>		
Leave Encashment	5	3
<b>Total</b>	<b>5</b>	<b>3</b>

## 27. Revenue from Operations

	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Sale of Services</b>		
Freight, Ecommerce, Demurrage and Miscellaneous services	1,987	2,666
Sale of Products		
Sale of Diesel, Petrol and Lubricants	22,784	24,480
<b>Total (A)</b>	<b>24,771</b>	<b>27,146</b>
<b>Other Operating Revenue</b>		
Management Fee from Subsidiaries	156	159
Other Recoveries	28	140
<b>Total (B)</b>	<b>184</b>	<b>299</b>
<b>Grand Total (A+B)</b>	<b>24,955</b>	<b>27,445</b>

# Notes to Financial Statements

for the Year ended March 31, 2022

## A. Revenue from contracts with customers disaggregated based on revenue streams and by reportable segment

(₹ In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Revenue based on product &amp; services</b>		
a) Express Distribution	1,943	2,666
b) Fuel Stations	22,828	24,480
c) Other Operating Revenues	-	299
<b>Total</b>	<b>24,771</b>	<b>27,445</b>
<b>Revenue based on Geography</b>		
India	24,771	27,445
	<b>24,771</b>	<b>27,445</b>
<b>Reconciliation of Revenue from Operation with contract price</b>		
Revenue as per contract price	24,862	27,278
<b>Less:</b>		
Credit Note	(71)	(84)
Unsatisfied Performance Obligation	(20)	(48)
<b>Revenue from Operations</b>	<b>24,771</b>	<b>27,146</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 31<sup>st</sup> March 2022 is ₹ 20 Lakhs, which is expected to be recognised during next year.

The Company recognises revenue at a point in time. Contract with customers are of short-term duration and all sales are direct to customers.

## B. Contract Balances

(₹ In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Contract Assets</b>	<b>0</b>	<b>10</b>
Trade Receivables	2,219	2,011
Less: Impairment allowances	(1,349)	(1,174)
<b>Total</b>	<b>870</b>	<b>837</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

(₹ In Lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Interest Income on		
Deposit with Bank	16	73
Unwinding of other financial assets carried at amortised cost	-	211
Refund of Income tax	33	31
Other Non Operating Income		
Rental Income	547	629
Net Foreign Exchange Gain	2	-
Net Gain on sale of investments	1	111

# Notes to Financial Statements

for the Year ended March 31, 2022

	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Liabilities no longer required written back	171	27
Gain on Sale of Mutual Funds	12	80
Net Gain on Investments measured at FVTPL	7	-
Others	16	43
<b>Total</b>	<b>805</b>	<b>1,205</b>

## 29. Operating Expenses

	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Freight	1,504	2,114
Claims for Loss & Damages (Net)	-	373
Other Operating Expenses	179	172
<b>Total</b>	<b>1,683</b>	<b>2,659</b>

## 30. Changes in Inventories of Stock-in-Trade

	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Opening Stock:</b>		
Stock-in-trade	330	202
	<b>330</b>	<b>202</b>
<b>Less: Closing Stock</b>		
Stock-in-trade	279	331
	<b>279</b>	<b>331</b>
(Increase) / Decrease in Inventories of Stock-in-trade	<b>51</b>	<b>(129)</b>

## 31. Employee benefits expense

	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, Wages & Bonus	393	568
Contribution to Provident and Other Funds	4	66
Staff Welfare Expenses	10	20
Expenses related to Share based payment schemes	3	1
<b>Total</b>	<b>410</b>	<b>655</b>

## 32. Finance Costs

	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Interest Expense on</b>		
Term Loans (Previous year includes working capital facility)	70	522
Public Deposits	54	104
Lease Liabilities	0	7
Others Borrowing Cost	15	36
<b>Total</b>	<b>139</b>	<b>669</b>

Note : Wherever amounts are "0", the value is less than rupees fifty thousand.

# Notes to Financial Statements

for the Year ended March 31, 2022

## 33. Depreciation and amortization expense

	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on Property, Plant and Equipment (Refer Note: 3A)	98	163
Depreciation on Right to use Asset (Refer Note: 3B)	11	25
<b>Total</b>	<b>109</b>	<b>188</b>

## 34. Other expenses

	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Rent	17	20
Rates and Taxes	143	26
Repairs and Maintenance	27	14
Insurance	21	24
Telephone expenses	2	18
Printing and Stationery	3	6
Travelling expenses	4	8
Electricity	10	13
Professional and Legal expenses	296	382
Bank Collection charges	7	23
Corporate Social Responsibility Expenditure (Refer Note 34.1)	-	30
Directors Sitting fees	8	18
Remuneration to Auditors [Refer Note: 34.2]	18	12
Allowance for advances	2	-
Capital work-in-progress written off & Other advance written off	-	(0)
Allowance for Doubtful Receivables	201	423
Bad debts and irrevocable balances written off	69	281
Less: Provision for loss allowances recognised in earlier years	(26)	(281)
Management Fee	159	180
Allowance for Capital advances	14	-
Net Foreign Exchange gain/ (loss)	-	9
Net Loss on Sale of Property, plant & equipment	44	-
Loss on Sale of Assets classified as held for sale	78	-
Miscellaneous expenses	134	159
<b>Total</b>	<b>1,231</b>	<b>1,365</b>

### 34.1 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 (previous year ₹30 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 - ₹Nil



# Notes to Financial Statements

for the Year ended March 31, 2022

## (d) Amount spent during the year on:

Particulars	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
i) Construction/Acquisition of any asset	-	-
ii) On purpose other than (i) above	-	30
	-	<b>30</b>

## (e) Unspent Amount:

Particulars	(₹ In Lakhs)
<b>Opening Balance as on April 01, 2021</b>	-
Amount deposited in specified fund of schedule VII within 6 months	-
Amount required to be spent during the year	-
Amount spent during the year	-
<b>Closing Balance as on March 31, 2022</b>	-

In accordance with the amendments with respect to the provisions of Corporate Social Responsibility ("CSR") provided under Section 135 of the Companies Act, 2013 with effect from January 22, 2021, the Board of the company has decided to continue as per the previous accounting practices adopted related to unspent CSR amount and not to carry forward for future years.

## 34.2 Payment to auditor (Excluding Goods and Services Tax)

	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Statutory Audit fees	8	8
Certification fees and other services	10	4
	<b>18</b>	<b>12</b>

## 35. Exceptional Items

	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
a) Severance payment on disposal of Investment in one of the subsidiaries, Gati Kausar India Limited	1,305	-
b) Net Gain on sale of investments	(5)	-
c) Loss on Asset Held for Sale Classification - Land & Building	214	9,833
d) Impairment allowance on Property, plant & Equipment	524	-
e) Allowance for advances (Refer note: 49)	201	3,498
f) Impairment allowance for Investment (Refer Note: 50)	57	120
g) Loss on disposal of Asset held for sale	-	1,420
h) Net Loss on Sale of Property, plant & equipment	-	221
i) Investment Written down	-	909
<b>Total</b>	<b>2,296</b>	<b>16,001</b>

The Exceptional items of ₹ 2,296 lakhs pertaining to year represent -

- One-time severance fees of ₹ 1,305 lakhs was paid from Gati limited to "Gati Kausar India Limited (GKIL)" as per the terms of share purchase agreement.
- Gati limited has transferred its 69.79% equity holding in GKIL to Mandala Capital AG Limited for the sale consideration of ₹ 5 lakhs, which has been booked as a one time gain.
- Diminution amounting to ₹ 214 lakhs in the realisable value of the asset which are sold or proposed to be sold and disclosed under "Assets held for Sale".
- Impairment allowance of ₹ 524 lakhs has been provided in books on account of diminution in the fair value of immovable property.
- Additional provision of ₹ 201 lakhs on account of realized value of the land, which was given as collateral to company against the loan given to wholly owned subsidiary "Gati Logistics Parks Private Limited".
- 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 ₹ 177 lakhs, out of this ₹ 120 lakhs was provided in the preceding financial year.

# Notes to Financial Statements

for the Year ended March 31, 2022

## 36. TAX EXPENSES

	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Income Tax recognised in Statement of Profit and Loss		
Current Tax	16	-
Deferred Tax	-	-
Taxes related to earlier years	(323)	1,053
<b>Total</b>	<b>(307)</b>	<b>1,053</b>

### 36.1 Reconciliation of Income Tax expense for the year with book profits

	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Profit/(Loss) before Tax (After Exceptional Items)	(2,321)	(16,578)
Applicable Tax Rate	34.94%	34.94%
Tax Expense	<b>(811)</b>	<b>(5,793)</b>
<b>Tax Effect of :</b>		
Non-deductible expenses for tax purpose	826	5,464
Expenses allowable for tax purposes	(171)	(344)
Other differences (Including effect of non recognition of Deferred Tax Asset)	172	673
<b>Total tax expense as per Statement of Profit and Loss</b>	<b>16</b>	<b>0</b>
Effective Tax Rate*	-0.69%	0%

\* Excludes effect of adjustment of ₹ -323 Lakhs on account of tax related to earlier year (Previous year ₹ 1053 lakhs).

**36.2** Under the new section of Income tax Act 115BBA 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.

## 37. Contingent liabilities and Commitments

### (I) Contingent Liabilities (to the extent not provided for)

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>(a) Claim against the Company not acknowledged as debt</b>		
(i) Income tax Demand disputed in appeals (Includes amount paid under protest ₹ 321 Lakhs, previous year ₹ Nil Lakhs)	2,442	2,442
(ii) Indirect Tax demand disputed in appeals (Includes amount paid under protest ₹ 11 Lakhs, previous year ₹ 11 Lakhs)	4,445	4,445
(iii) Others	182	147
<b>Total</b>	<b>7,069</b>	<b>7,034</b>

(i) 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.

(ii) 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.

# Notes to Financial Statements

for the Year ended March 31, 2022

## (b) Corporate Guarantee outstanding

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Note - Corporate guarantee given to Subsidiary companies.	-	376

- (c) 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. During the current 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.
- (d) Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment has been notified in the official Gazette on September 29, 2020 and its effective date is yet to be notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the year the Code becomes effective.

## (II) Contingent Assets

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Additional consideration on the disposal of investment in Brown Tape Technology Pvt Ltd*	56	56
	<b>56</b>	<b>56</b>

- (\*) In respect of the disposal of investment in Brown Tape Technology Private Limited during the preceding financial year, additional consideration will be payable to the company if the future performance of Brown Tape Technology reaches to a specified revenue level. Recognition of additional consideration which is not virtually certain, is dependent on the aggregate specified revenue of Brown Tape Technology for the 18-months period ending July 2022.

## 38. Leases

- (a) The Company has lease contracts for certain items of Land & Buildings. The Company's obligations under leases are secured by the lessor's title to the leased assets.

### (b) Movement in lease liabilities during the year ended March 31, 2022

	(₹ In Lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities at the beginning of the year	47	77
Additions	7	-
Deletions	(46)	(18)
Interest cost accrued during the year	0	7
Payment of lease liabilities	(1)	(19)
<b>Lease liabilities at the end of the year</b>	<b>7</b>	<b>47</b>

### (c) Amount recognized in Profit or Loss

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Interest expense on lease liabilities	0	7
Depreciation expense of right-of-use assets	11	25
Expense relating to short term leases (included in other expenses)	17	20
	<b>28</b>	<b>52</b>
<b>(d) Amounts recognised in the statement of cash flow</b>	<b>1</b>	<b>19</b>

# Notes to Financial Statements

for the Year ended March 31, 2022

## (e) Future payment of lease liabilities on an undiscounted basis

Particulars	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Not later than one year	2	20
Later than one year but not later than five years	6	37
Later than five years	-	-
<b>Total</b>	<b>8</b>	<b>57</b>
Current lease liabilities	2	15
Non-current lease liabilities	5	32
<b>Total Lease liabilities</b>	<b>7</b>	<b>47</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

## 39. Disclosure as required under Ind AS 19 on Employee Benefits:

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Statement of Assets and Liabilities for defined benefit obligation		
Defined benefit asset - Gratuity Plan	6	132
Defined benefit obligation - Gratuity Plan	35	38
Net employee benefit (liabilities) / Asset	<b>(29)</b>	<b>94</b>

### Defined contribution

The expense for defined contribution plans amounted to ₹12 Lakhs and ₹66 Lakhs for the year ended March 31, 2022 and March 31, 2021 respectively. Out of these, ₹ 11 Lakhs (31 March 2021 ₹20 Lakhs) pertains to provident / pension funds and ₹ (0.1) Lakhs (March 31, 2021 ₹ (33) Lakhs) pertains to superannuation fund plan.

### 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 ₹ 10 lakhs to contribute to Gratuity Fund in the next year.

### 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.

The following tables analyse present value of defined benefit obligations, expense recognised in Statement of Profit and Loss, actuarial assumptions and other information.

# Notes to Financial Statements

for the Year ended March 31, 2022

## Reconciliation of the net defined benefit asset/ (liability):

(₹ In Lakhs)

	As at March 31, 2022	As at March 31, 2021
<b>(I) Reconciliation of present value of defined benefit obligation</b>		
(a) Balance at the beginning of the year	38	113
(b) Current service cost	3	14
(c) Interest cost	2	7
(d) Benefits paid	(13)	(25)
(e) Actuarial (gains)/ losses recognised in other comprehensive income		
change in demographic assumptions	0	2
change in financial assumptions	1	3
experience adjustments	4	(76)
<b>Balance at the end of the year</b>	<b>35</b>	<b>38</b>
<b>(II) Reconciliation of present value of plan assets</b>		
(a) Balance at the beginning of the year	132	148
(b) Investment Income	7	10
(c) Return on plan assets, excluding amount recognised in net interest expense	(3)	(1)
(d) Contributions by the employer	6	-
(e) Benefits paid	(13)	(25)
(f) Fund Transfer adjustment	(124)	-
<b>Balance at the end of the year</b>	<b>6</b>	<b>132</b>
<b>(III) Net asset/ (liability) recognised in the Balance Sheet</b>		
(a) Present value of defined benefit obligation	(35)	(38)
(b) Fair value of plan assets	6	132
<b>Net defined benefit Asset/(obligations) in the Balance Sheet</b>	<b>(29)</b>	<b>94</b>
<b>(IV) Expense recognised in Statement of Profit or Loss</b>		
(a) Current service cost	3	14
(b) Past Service Cost	-	-
(c) Interest Income (Net)	(5)	(3)
<b>Amount charged to Profit or Loss</b>	<b>(2)</b>	<b>11</b>
<b>(V) Remeasurements recognised in Other Comprehensive Income</b>		
(a) Actuarial (gain) / loss on defined benefit obligation	4	(72)
(b) Return on plan asset excluding interest income	3	1
<b>Amount recognised in Other Comprehensive Income</b>	<b>7</b>	<b>(71)</b>
<b>(VI) Plan assets</b>		
Plan assets comprise of the following:		
(a) Investments with LIC	100%	100%
<b>(VII) Actuarial assumptions</b>		
Principal actuarial assumptions at the reporting date (expressed as weighted averages)		
(a) Discount rate	5.66%	5.52%
(b) Future salary growth	8.00% first 2 years; 6.00% thereafter	6%
(c) Retirement age (years)	58	58
(d) Withdrawal rates	30%	25%
(e) Mortality rate (% of IALM 2012-14)	100%	100%

# Notes to Financial Statements

for the Year ended March 31, 2022

## (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:

(₹ In Lakhs)

	As at March 31, 2022		As at March 31, 2021	
	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)	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.

(₹ In Lakhs)

Expected cash flows over the next (Valued on undiscounted cash flows)	As at	As at
	March 31, 2022	March 31, 2021
1 year	10	9
2 to 5 years	25	25
6 to 10 years	4	9
More than 10 years	0	2

## 40. Due to Micro enterprises and small enterprises

(₹ In Lakhs)

	As at	As at
	March 31, 2022	March 31, 2021
(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	-	-
Total	-	-
(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 Financial Statements

for the Year ended March 31, 2022

## 41. Financial instruments - fair values and risk management

### A. Accounting classification and fair values

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.

(₹ In Lakhs)

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>1,011</b>	-	-	-	<b>1,011</b>	<b>1,011</b>	-	-	<b>1,011</b>
<b>Financial assets not measured at fair value</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>1,942</b>	-	<b>1,942</b>	-	-	-	-
<b>Financial liabilities not measured at fair value</b>									
Borrowing	-	-	-	404	404	-	-	-	-
Trade payables	-	-	-	257	257	-	-	-	-
Other financial liabilities	-	-	-	3,340	3,340	-	-	-	-
Lease Liabilities	-	-	-	7	7	-	-	-	-
	-	-	-	<b>4,008</b>	<b>4,008</b>	-	-	-	-

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2021, including their levels in the fair value hierarchy.

(₹ In Lakhs)

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	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Financial assets not measured at fair value</b>									
Loans	-	-	797	-	797	-	-	-	-
Trade receivables	-	-	837	-	837	-	-	-	-
Cash and cash equivalents	-	-	1,021	-	1,021	-	-	-	-
Other bank balances	-	-	289	-	289	-	-	-	-
Other financial assets	-	-	227	-	227	-	-	-	-
	-	-	<b>3,171</b>	-	<b>3,171</b>	-	-	-	-
<b>Financial liabilities not measured at fair value</b>									
Borrowing	-	-	-	2,006	2,006	-	-	-	-
Trade payables	-	-	-	365	365	-	-	-	-
Other financial liabilities	-	-	-	3,933	3,933	-	-	-	-
Lease liabilities	-	-	-	47	47	-	-	-	-
	-	-	-	<b>6,351</b>	<b>6,351</b>	-	-	-	-

# Notes to Financial Statements

for the Year ended March 31, 2022

## 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	(₹ In Lakhs)
	FVOCI Equity Instruments
<b>Balance at March 31, 2020</b>	7,782
Current Investments during the year	-
Net Gain on investments measured at FVTPL	80
Equity Investments through other comprehensive income	-
Sale proceeds Non current Investments	(7,862)
<b>Balance at March 31, 2021</b>	-
<b>Balance at March 31, 2021</b>	-
Current Investments during the year	5,400
Net Gain on investments measured at FVTPL	7
Equity Investments through other comprehensive income	-
Sale proceeds Non current Investments	(4,396)
<b>Balance at March 31, 2022</b>	<b>1,011</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.

### Trade receivables and loans

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.



# Notes to Financial Statements

for the Year ended March 31, 2022

The movement of Trade Receivables and Expected Credit Loss are as follows :

Particulars	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Trade Receivables (Gross)	2,219	2,011
Less: Expected Credit Loss	(1,349)	(1,174)
<b>Trade Receivables (Net)</b>	<b>870</b>	<b>837</b>

(₹ In Lakhs)	
Reconciliation of Loss allowance (Trade Receivables)	Amount
Loss Allowance on March 31, 2020	1,032
Change in Loss allowance	142
Loss Allowance in March 31, 2021	1,174
Change in Loss allowance	175
<b>Loss Allowance in March 31, 2022</b>	<b>1,349</b>

The movement of Loans and Expected Credit Loss are as follows :

Particulars	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Loans	1,610	2,202
Less: Expected Credit Loss	1,607	1,405
<b>Loans (net)</b>	<b>3</b>	<b>797</b>

(₹ In Lakhs)	
Reconciliation of Loss allowance (Loans)	Amount
Loss Allowance on March 31, 2020	164
Change in Loss allowance	1,241
Loss Allowance in March 31, 2021	1,405
Change in Loss allowance	202
<b>Loss Allowance in March 31, 2022</b>	<b>1,607</b>

The movement of Advances and Expected Credit Loss are as follows :

Particulars	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Other Advances receivable	2,659	2,537
Less: Expected Credit Loss	2,321	2,319
<b>Loans (net)</b>	<b>338</b>	<b>218</b>

(₹ In Lakhs)	
Reconciliation of Loss allowance (Loans)	Amount
Loss Allowance on March 31, 2020	60
Change in Loss allowance	2,259
Loss Allowance in March 31, 2021	2,319
Change in Loss allowance	2
<b>Loss Allowance in March 31, 2022</b>	<b>2,321</b>

## (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.

# Notes to Financial Statements

for the Year ended March 31, 2022

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.

(₹ In Lakhs)

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	-
Lease Liabilities	7	8	2	6	-
Trade payables	257	257	257	-	-
Other financial liabilities	3,340	3,340	3,340	-	-
	<b>4,008</b>	<b>4,009</b>	<b>3,898</b>	<b>111</b>	<b>-</b>

(₹ In Lakhs)

March 31, 2021	Contractual cash flows				
	Carrying amount	Total	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	2,006	2,006	746	1,260	-
Lease Liabilities	47	57	20	37	-
Trade payables	365	365	365	-	-
Other financial liabilities	3,933	3,933	3,933	-	-
	<b>6,351</b>	<b>6,362</b>	<b>5,064</b>	<b>1,297</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.

#### 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 ₹53 Lakhs (Previous year ₹ 24 Lakhs) and ₹ 29 Lakhs (Previous Year ₹ 59 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:

(₹ In Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Fixed rate instruments</b>		
Financial assets	-	-
<b>Financial liabilities</b>		
Vehicle Loans	-	30
Term Loans	-	388
Deposits from Public	404	663
Lease Liabilities	7	47
	<b>411</b>	<b>1,128</b>

# Notes to Financial Statements

for the Year ended March 31, 2022

Particulars	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Variable rate instruments</b>		
Financial assets	-	-
Financial liabilities		
Cash Credit	-	-
Term Loans	-	926
	-	<b>926</b>
	<b>411</b>	<b>2,054</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	(₹ In Lakhs)			
	Effect on Profit before tax		Effect on total equity	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Variable rate instruments - decrease by 100 basis points	-	9	-	9
Variable rate instruments - increase by 100 basis points	-	(9)	-	(9)

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 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	(₹ In Lakhs)			
	Effect on Profit before tax		Effect on total equity	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
NSE Nifty 50 - increase by 10% (March 31, 2021: 10%)	101	-	101	-
NSE Nifty 50 - decrease by 10% (March 31, 2021: 10%)	(101)	-	(101)	-

## 42. 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	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Borrowings (Including Current maturities)	404	2,006
Less: Cash and Cash Equivalents	(547)	(1,021)
Less: Bank balance other than Cash and Cash Equivalents	(177)	(289)
Less: Current Investments	(1,011)	-
<b>Net debt</b>	<b>(1,331)</b>	<b>696</b>
<b>Total Equity</b>	<b>63,218</b>	<b>62,446</b>
Gearing ratio	(0.02)	0.01

# Notes to Financial Statements

for the Year ended March 31, 2022

## 43. 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.

### 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, 2022 and March 31, 2021 is as follows:

	(In ₹ Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>1. Segment Revenue (Net Sales / Income from each Segment)</b>		
a) Express Distribution	2,127	2,965
b) Fuel Stations	22,828	24,480
<b>Total</b>	<b>24,955</b>	<b>27,445</b>
Less: Inter Segment Revenue	-	-
<b>Net Sales / Income from Operations</b>	<b>24,955</b>	<b>27,445</b>
<b>2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)</b>		
a) Express Distribution	(188)	(494)
Less - Exceptional Items	(2,296)	(16,001)
b) Fuel Stations	302	586
<b>Total</b>	<b>(2,182)</b>	<b>(15,909)</b>
Less: Finance Cost	(139)	(669)
Less: Exceptional Items	-	-
<b>Profit before tax</b>	<b>(2,321)</b>	<b>(16,578)</b>
Less: Tax Expenses	(307)	1,053
<b>Profit after tax as per statement of profit and loss</b>	<b>(2,014)</b>	<b>(17,631)</b>

	(In ₹ Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>3. Segment Assets</b>		
a) Express Distribution	4,678	6,422
b) Fuel Stations	1,278	1,540
d) Unallocated	62,171	63,483
<b>Total Assets</b>	<b>68,127</b>	<b>71,445</b>
<b>Segment Liabilities</b>		
a) Express Distribution	1,940	2,078
b) Fuel Stations	42	64
c) Unallocated	2,927	6,857
<b>Total Liabilities</b>	<b>4,909</b>	<b>8,999</b>
<b>Capital Employed</b>	<b>63,218</b>	<b>62,446</b>

# Notes to Financial Statements

for the Year ended March 31, 2022

	(In ₹ Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>4. Depreciation and amortisation Expenses</b>		
a) Express Distribution	98	175
b) Fuel Stations	11	13
<b>Total</b>	<b>109</b>	<b>188</b>

	(In ₹ Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>5. Significant Non- cash Expenditure</b>		
a) Express Distribution	1,251	16,424
b) Fuel Stations	5	-
<b>Total</b>	<b>1,256</b>	<b>16,424</b>

	(In ₹ Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>6. Capital Expenditure</b>		
a) Express Distribution	-	14
b) Fuel Stations	1	-
<b>Total</b>	<b>1</b>	<b>14</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.

	(In ₹ Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>1. Revenue from External Customers</b>		
a) India	24,771	27,445
b) International	-	-
<b>Total</b>	<b>24,771</b>	<b>27,445</b>

	(In ₹ Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>2. Segment Non Current assets *</b>		
a) India	3,460	4,305
b) International	-	-
<b>Total</b>	<b>3,460</b>	<b>4,305</b>

\* Non current asset are excluding Investments, Non current tax assets, Deferred Tax asset.

## 44. Earnings per Share

	(In ₹ Lakhs)	
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit/(loss) for the year (₹ Lakhs)	(2,014)	(17,632)
Weighted average number of shares (Nos.)	12,27,53,182	12,19,45,977
Diluted average number of shares (Nos.)	12,55,29,164	12,19,45,977
Basic Earnings Per Share (In ₹)	(1.64)	(14.46)
Diluted Earnings Per Share (In ₹)	(1.64)	(14.46)
Nominal value of shares outstanding (In ₹)	2.00	2.00

# Notes to Financial Statements

for the Year ended March 31, 2022

## 45. Related party disclosure

### A. Names of related parties and related party relationship for Period ended 31st March, 2022

- |   |  |  |
|---|--|--|
| 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 Mangaing Director   |
|   | 2. Mr N Srinivasan                         | – Director (Resigned w.e.f. Januauy 01, 2021)  |
|   | 3. Mr P N Shukla                           | – Director (Resigned w.e.f August 03, 2021 )   |
|   | 4. Mr Yasuhiro Kaneda                      | – Director   |
|   | 5. Mr Kaiwan Kalayaniwalla                 | – Director   |
|   | 6. Ms. Cynthia D'Souza                     | – Director   |
|   | 7. Mr. Dinesh Kumar Lal                    | – Director   |
|   | 8. Mr. Mohinder Pal Bansal                 | – Director (Appointed w.e.f. July 03, 2020 and resigned on 4 <sup>th</sup> March 2021) |
|   | 9. Mr. Nilesh Shivji Vikamsey              | – Director (Appointed w.e.f. February 05, 2021   |
|   | 10. Ms Savita Date Menon                   | – Director (Resigned w.e.f. October 12, 2020)  |
|   | 11. Mr K L Chugh                           | – Chairman (Resigned w.e.f. July 24, 2020)   |
|   | 12. Dr P S Reddy                           | – Director (Resigned w.e.f. July 08, 2020)   |
|   | 13. Ms. T S Maharani                       | – Company Secretary and Compliance Officer   |
|   | 14. Mr. Rohan Mittal                       | – Chief Financial Officer (Resigned w.e.f Nov 12, 2021)                                |
|   | 15. Mr. Pirojshaw Sarkari (Phil)           | – Appointed as a Chief Executive Officer of the Company w.e.f. August 09, 2021.        |
|   | 16. Mr. Anish Mathew                       | – Chief Financial Officer (Appointed w.e.f Feb 04, 2022)                               |
| iii) <b>Entities in which key managerial personnel and their relatives having significant influence</b> | 1. M/s Maneksha & Sethna                   |  |
|   | 2. TCI Hi-ways Pvt. Ltd.(#)                |  |
|   | 3. Gati Academy (#)                        |  |
|   | 4. P D Agarwal Foundation (#)              |  |
| iv) <b>Subsidiaries &amp; Step down Subsidiaries</b>  | 1. Gati Kintetsu Express Pvt. Ltd.         |  |
|   | 2. Gati Kausar India Ltd.*                 |  |
|   | 3. Gati Import Export trading Ltd.         |  |
|   | 4. Gati Logistics Parks Private Ltd.       |  |
|   | 5. Gati Projects Private Ltd.              |  |
|   | 6. Zen Cargo Movers Pvt Ltd                |  |
| V) <b>Fellow Subsidiaries</b>   | 1. Gati Cargo Express (Shanghai) Co Ltd ** |  |
|   | 2.Gati Hong Kong Ltd **                    |  |
|   | 3.Gati Asia Pacific Pte Ltd. **            |  |
|   | 4. Allcargo Belgium N.V.                   |  |
| vi) <b>Associate</b>  | 1. Gati Ship Ltd.                          |  |

(\*) Ceased to qualify as a related party with effect from July 14, 2021

(\*\*) Ceased to be Subsidiary with effect from August 16, 2020 and became fellow subsidiary to Allcargo logistics Limited

(#) Ceased to qualify as a related party with effect from 28<sup>th</sup> September 2020

# Notes to Financial Statements

for the Year ended March 31, 2022

## B. Summary of the transactions with related parties for the year ended 31st March 2022:

SL. No.	Nature of Transaction	Key Managerial Personnel & Relatives		Entities in which Significant influence exists		Holding, Subsidiaries, step down Subsidiaries & Fellow Subsidiaries		Total	
		FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
a)	<b>EXPENDITURE</b>								
	<b>Freight and Other Charges</b>								
	Gati Cargo Express (Shanghai) Co Ltd.	-	-	-	-	-	3	-	3
	Zen Cargo Movers Private Ltd	-	-	-	-	-	1	-	1
	Gati Kintetsu Express Private Ltd	-	-	-	-	917	1,197	917	1,197
	Allcargo Logistics Limited	-	-	-	-	-	2	-	2
	<b>Remuneration</b>								
	Mr Rohan Mittal	171	43	-	-	-	-	171	43
	Ms T S Maharani	42	27	-	-	-	-	42	27
	Mr Anish T Mathew	16	-	-	-	-	-	16	-
	<b>Directors Sitting Fee</b>								
	Mr K L Chugh	-	1	-	-	-	-	-	1
	Mr N Srinivasan	-	3	-	-	-	-	-	3
	Mr P N Shukla	1	3	-	-	-	-	1	3
	Dr P S Reddy	-	0	-	-	-	-	-	0
	Ms Savita Date Menon	-	2	-	-	-	-	-	2
	Ms. Cynthia D'Souza	2	3	-	-	-	-	2	3
	Mr. Dinesh Kumar Lal	3	3	-	-	-	-	3	3
	Mr. Mohinder Pal Bansal	-	2	-	-	-	-	-	2
	Mr. Nilesh Shivji Vikamsey	3	1	-	-	-	-	3	1
	<b>Management Fee</b>								
	Gati Kintetsu Express Private Ltd	-	-	-	-	139	153	139	153
	Allcargo Logistics Limited	-	-	-	-	20	27	20	27
	Maintenance Expenses								
	Gati Kintetsu Express Private Ltd	-	-	-	-	5	1	5	1
	<b>Manpower Expenses</b>								
	Gati Academy	-	-	-	51	-	-	-	51
	<b>Legal and Professional Expenses</b>								
	M/s Maneksha & Sethna	-	-	28	5	-	-	28	5
	<b>Rent Expenses</b>								
	P D Agarwal Foundation	-	-	-	4	-	-	-	4
	<b>Investment provided</b>								
	<b>Provision</b>								
	Gati Logistics Parks Private Limited - Provided on advances	-	-	-	-	201	-	201	-
	<b>Provision for Investment</b>								
	Gati Import and Export Pvt Ltd	-	-	-	-	57	-	57	-
	<b>Interest Expenses</b>								
	Allcargo Logistics Limited	-	-	-	-	4	86	4	86

# Notes to Financial Statements

for the Year ended March 31, 2022

SL. No.	Nature of Transaction	Key Managerial Personnel & Relatives		Entities in which Significant influence exists		Holding, Subsidiaries, step down Subsidiaries & Fellow Subsidiaries		Total	
		FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
<b>b)</b>	<b>INCOME</b>								
	<b>Freight and Other Charges</b>								
	Gati Cargo Express (Shanghai) Co Ltd.	-	-	-	-	108	27	108	27
	<b>Rent</b>								
	TCI Hi-Ways Pvt Ltd	-	-	-	0	-	-	-	0
	Gati Kintetsu Express Private Ltd	-	-	-	-	412	459	412	459
	Gati Import Export Trading Limited	-	-	-	-	0	3	0	3
	Gati Logistics Parks Private Limited	-	-	-	-	0	0	0	0
	Gati Projects Private Limited	-	-	-	-	0	0	0	0
	Gati Kausar India Ltd.	-	-	-	-	0	0	0	0
	<b>Management Fee</b>								
	Gati Kintetsu Express Private Ltd	-	-	-	-	137	150	137	150
	Gati Kausar India Ltd.	-	-	-	-	2	5	2	5
	Gati Import Export Trading Limited	-	-	-	-	-	3	-	3
<b>c)</b>	<b>Investments - Equity</b>								
	Gati Kausar India Ltd.	-	-	-	-	-	4,014	-	4,014
	Gati Kausar India Ltd. Impairment	-	-	-	-	-	(4,014)	-	(4,014)
	Gati Import Export Trading Limited	-	-	-	-	230	230	230	230
	Gati Import Export Trading Limited - Provision	-	-	-	-	(177)	(120)	(177)	(120)
	Zen Cargo Movers Private Ltd	-	-	-	-	36	36	36	36
	Zen Cargo Movers Private Ltd -Provision	-	-	-	-	(36)	(36)	(36)	(36)
	Gati Kintetsu Express Private Ltd	-	-	-	-	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>d)</b>	<b>Trade Receivable</b>								
	Gati Cargo Express (Shanghai) Co Ltd	-	-	-	-	50	21	50	21
<b>e)</b>	<b>Other Receivable</b>								
	Gati Kintetsu Express Private Ltd	-	-	-	-	192	80	192	80
	Gati Import Export Trading Limited	-	-	-	-	-	42	-	42
	Gati Kausar India Ltd.	-	-	-	-	-	25	-	25
	Zen Cargo Movers Private Ltd	-	-	-	-	22	22	22	22
	Gati Logistic Parks Private Limited	-	-	-	-	0	0	0	0
	Gati Projects Private Limited	-	-	-	-	0	0	0	0
	Gati Ship Limited	0	-	-	-	-	-	0	-
	Allcargo Logistics Limited	-	-	-	-	23	0	23	0



# Notes to Financial Statements

for the Year ended March 31, 2022

SL. No.	Nature of Transaction	Key Managerial Personnel & Relatives		Entities in which Significant influence exists		Holding, Subsidiaries, step down Subsidiaries & Fellow Subsidiaries		Total	
		FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
<b>f)</b>	<b>Loans &amp; Advances - Given</b>								
	Gati Logistic Parks Private Limited	-	-	-	-	1,444	2,001	1,444	2,001
	Gati Logistic Parks Private Limited - Provision	-	-	-	-	(1,443)	(1,242)	(1,443)	(1,242)
	Gati Projects Private Limited	-	-	-	-	2	2	2	2
<b>g)</b>	<b>Trade Payable</b>								
	Gati Cargo Express (Shanghai) Co Ltd.	-	-	-	-	18	18	18	18
	Zen Cargo Movers Private Ltd	-	-	-	-	15	15	15	15
	Gati Kintetsu Express Private Ltd	-	-	-	-	101	77	101	77
<b>h)</b>	<b>Other Payables</b>								
	Gati Kintetsu Express Private Ltd	-	-	-	-	26	101	26	101
	Gati Kausar India Limited	-	-	-	-	-	4	-	4
	Allcargo Logistics Limited	-	-	-	-	-	0	-	0
<b>i)</b>	<b>Deposit and Advance (Taken)</b>								
	Gati Kintetsu Express Private Ltd	-	-	-	-	140	575	140	575
<b>j)</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)
<b>k)</b>	<b>Corporate Guarantees given</b>								
	Gati Kintetsu Express Private Ltd	-	-	-	-	-	125	-	125
	Gati Kausar India Ltd.	-	-	-	-	-	251	-	251

## 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 for FY 2021-22.
- (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 of March 31, 2022 and March 31, 2021 do not include the balances of certain parties which do not qualify as related party w.e.f. July 14, 2021 and September 28, 2020, respectively.
- (vii) Wherever amounts are "0", the value is less than rupees fifty thousand.

**46.** Pursuant to the direction of the Hon'ble High Court of New Delhi, in an appeal filed by Air India against the arbitral award of ₹2,200 lakhs, which was made over to the company i.e. Gati Limited, in the financial year 2015-16. The company has offered its property in Hyderabad as an interim collateral. Application filed for release of above mentioned collateral in lieu of Bank Guarantee of equivalent amount is allowed by the court on April 18<sup>th</sup>, 2022. The Company is in the process of submitting the Bank Guarantee (with 100% margin) for release of the said property.

# Notes to Financial Statements

for the Year ended March 31, 2022

47. During the year the Board of Directors of the Company issued and allotted 10,23,020 Equity Shares of face value of ₹ 2/- each ("Equity Shares") at a price of ₹ 97.75/- per Equity Share at a premium of ₹ 95.75/- per Equity Share, aggregating up to ₹ 10,00,00,205/- and 71,61,120 Equity Warrants at a price of ₹ 97.75/- per Equity Warrant with the right to warrant holder to apply for and be allotted 1 (One) Equity Share of the face value of ₹ 2/- each of the Company at a premium of ₹ 95.75/- per equity share for each Equity warrant within a period of 18 (Eighteen) months from the date of allotment of the warrants i.e. June 17, 2021, aggregating up to ₹ 69,99,99,480/- to Allcargo Logistics Limited ("ACL"), Promoter of the Company on Preferential issue basis in accordance with Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), as amended, and other applicable laws. Consequently, the shareholding of the ACL increased to 47.30% of the enhanced paid up equity share capital of the Company and on fully diluted basis it is 50.20% (after the conversion of the Equity Warrants). Further, the Company has received the 25% of the Equity Warrants amount on upfront basis during the year and remaining 75% will receive on the exercise of the option of conversion of warrants. Expenses incurred ₹ 13 lakhs for preferential allotment are adjusted against the securities premium.
48. During the current financial year, 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. As a part of transaction one-time severance fees of ₹ 1305 lakhs was also paid from Gati limited to GKIL as per the terms of share purchase agreement. (Refer note on exceptional items 35)
49. 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 Loan and advances in the nature of loan to subsidiaries are as follows; -

Particulars	(In ₹ Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Loan and Advances	1,443	2,001
Less: - Allowances on the loans and Advances	(1,443)	(1,242)
<b>Total</b>	<b>-</b>	<b>759</b>

The Company had given interest free loan to a wholly owned subsidiary "Gati Logistics Parks Private Limited" amounting to ₹ 2,001 Lakhs towards financing a project in an earlier year. The company has received repayment of loan amount to the tune of ₹ 558 lakhs, balance loan receivable amount of ₹ 1,443 lakhs had been provided as provision, out of this ₹ 201 lakhs is provided in the current financial year.

50. Gati Import Export Trading Limited (GIETL), a wholly owned subsidiary of the Company, had discontinued its operations in previous year due to change in market dynamics. Company's investment in GIETL has been impaired to the extent of ₹ 177 lakhs (previous year ₹ 120 lakhs).
51. During the year, 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 and 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.
52. 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 year at the sale consideration of ₹ 0.25 lakhs for each investment. Gain of ₹ 0.5 lakhs has 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 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."

# Notes to Financial Statements

for the Year ended March 31, 2022

- 53.** During the 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 pending for the order.
- 54.** 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 and the same was provided in the books in financial year 2019-20. The Company had discharged the tax liability by ₹ 1,000 lakhs during the preceding financial year. Further balance liability of ₹ 2,257 lakhs has been discharged during the current financial year. With this the total assessed tax liability under VsV Scheme stands closed.
- 55.** The Board of Directors of the company have not recommended any dividend for the current financial year with an objective to conserve cash.

## 56. Financial performance ratios

Ratio	Numerator	Denominator	Current Period	Previous Period	Variance	Reasons for Variance
Current Ratio (in times)	Current Assets	Current Liabilities	1.83	1.45	26%	Note -1
Debt Equity ratio (in times)	Total Debt	Shareholder's Equity	0.01	0.03	-80%	Note -2
Debt service coverage ratio (in times)	Earnings available for debt Service	Total Debt Service	(0.25)	(0.13)	93%	Note -3
Return on Equity Ratio (in %)	Net Profit After Taxes- Preference Dividends ( if any)	Average Shareholder's Equity	(0.03)	(0.25)	-87%	Note -4
Inventory turnover ratio (in times)	Cost of Goods Sold or Sales	Average Inventory	74.72	91.90	-19%	-
Trade Receivables turnover ratio (in times)	Net Sales	Average Account Receivables	10.12	10.47	-3%	-
Trade payables turnover ratio (in times)	Net Purchases	Average Account Payables	5.41	1.08	400%	Note -5
Net capital turnover ratio (in times)	Net Sales	Working Capital	6.31	7.91	-20%	-
Net profit ratio (in %)	Net Profit	Net Sales	(0.08)	(0.64)	-87%	Note -6
Return on Capital employed (in %)	Earnings before interest and tax	Capital Employed	(0.03)	(0.25)	-86%	Note -7
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 :

- 1) The current ratio has improved due to optimum working capital utilization and repayment of short term borrowings.
- 2) Repayment of debt, increase in equity arising on account of improved earnings and issuance of fresh equity through preferential allotment.
- 3) Debt service coverage ratio improved on account of repayment of debt.
- 4) Return on Equity improved on account of improved earnings and issuance of fresh equity through preferential allotment.
- 5) Improved ratio indicates improvement in vendor payment cycles on account of enhanced liquidity derived from monetisation of non-core assets.
- 6) Improved margin is driven by better business performance and substantially lower exceptional losses during the year.
- 7) The improvement in ratio is primarily on account of improved earning results as compared to previous year and reduction in overall capital employed due to repayment of borrowings during the year.

# Notes to Financial Statements

for the Year ended March 31, 2022

## 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
- (f) 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 = Tangible Net Worth + Total Debt + Deferred Tax Liability
- (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  $[T1 - t] / T1$

## 57. 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
- (vii) The Company 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.

# Notes to Financial Statements

for the Year ended March 31, 2022

(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.

## 58. 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 31/03/2022, the Company recognised total expenses of ₹ 3 lakhs (31/03/2021 ₹ 1 lakhs) related to Share based Payment schemes. 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, 2022	Year ended March 31, 2021
1	Date of shareholders' approval	27/01/2022	-
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	At a discount of ~39% of the closing price of Company's Equity Share quoted on the National Stock Exchange of India Limited preceding the date of grant of ESARs	-
5	Maximum term of options granted	9 years from the date of Grant	-
6	Source of shares (primary, secondary or combination)	Primary	-
7	Variation of terms of options	No Variations	-
8	Method used to account for ESOS - Intrinsic or fair value	Fair Value Method	-

S. No.	Description	Year ended March 31, 2022	Year ended March 31, 2021
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	-	-
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)	31,05,000	-
10	Number of options exercisable at the end of the year (out of total number of options approved under scheme)	31,05,000	-

# Notes to Financial Statements

for the Year ended March 31, 2022

## 11 Employee wise details of ESARs granted to

### A. Senior Management

Name of Senior Management Personnel	Designation	Number of ESARs granted during the year	Exercise Price
i) Pirojshaw Sarkari	CEO	2,00,000	85.00
ii) Anish T Mathew	CFO	1,00,000	85.00
iii) T S Maharani	CS	50,000	85.00

### B. Any other employee who receive a grant in any one year of amounting to 5% or more of ESARs granted during the year

Name of the employee	Designation	Number of ESARs granted during the year	Exercise Price
i) Pirojshaw Sarkari	CEO	2,00,000	85.00

### C. Identified employees who were granted ESARs, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants & conversions) of the Company at the time of grant - Nil

- 12 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.

### 13 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	17-Mar-22
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%

- 14 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.

- 15 There are no market conditions attached to the grant and vest.

# Notes to Financial Statements

for the Year ended March 31, 2022

## B) Details of grants related to ESOS under various series are summarised below

S. No.	Description	Year ended March 31, 2022		Year ended March 31, 2021	
		ESOS-2006	ESOS-2007	ESOS-2006	ESOS-2007
	<b>Scheme No.</b>				
1	Date of shareholders' approval	-		11/10/2006	13/10/2007
2	Total number of options approved under ESOS	-		17,82,500	17,55,720
3	Vesting requirements	-		Commences at the expiry of two years from the date of grant.	
4	Exercise price or pricing formula	-		At a discount of 25% on the average of the weekly high and low of the closing prices for the Company's Equity Shares quoted on the Bombay Stock Exchange and / or National Stock Exchange during the four weeks preceding the date of grant of the options.	
5	Maximum term of options granted	-			4 years
6	Source of shares (primary, secondary or combination)	-			Primary
7	Variation of terms of options	-			Nil
8	Method used to account for ESOS - Intrinsic or fair value	-		The company has calculated the employee compensation cost using the fair value of the stock options.	

S. No.	Description	Year ended March 31, 2022		Year ended March 31, 2021	
		ESOS-2006	ESOS-2007	ESOS-2006	ESOS-2007
	<b>Scheme No.</b>				
1	Number of options outstanding at the beginning of the year (un-granted)	-		8,02,988	9,65,200
2	Number of options granted during the year	-		Nil	Nil
3	Number of options forfeited/lapsed during the year	-		94,905	16,095
4	Number of options vested during the year	-		94,905	16,095
5	Number of options exercised during the year	-		0	0
6	Number of shares arising as a result of exercise of options	-		0	0
7	Amount realized by exercise of options (₹)	-		0	0
8	Loan repaid by the Trust during the year from exercise price received	-		NA	NA
9	Number of options outstanding at the end of the year (out of total number of options approved under ESOS)	-		897,893	981,295
10	Number of options exercisable at the end of the year (out of total number of options approved under ESOS)	-		0	0

# Notes to Financial Statements

for the Year ended March 31, 2022

	Weighted average exercise price (in ₹)	Weighted average Fair value (in ₹)	Expected Volatility (%)	Expected Dividend (%)	Life of Options granted (Years)	Risk free interest rate (%)
11 Stock Options granted on						
06/02/2014	45.60	69.50	9.93%	1.69%	4	8%
06/08/2014	85.42	113.79	12.59%	1.73%	4	8%
26/04/2016	87.13	116.18	-6.92%	0.81%	4	8%
04/11/2016	103.40	137.94	0.72%	0.81%	4	8%
12 <b>Employee wise details of options granted to</b>						
a. Key managerial personnel			Nil	Nil	Nil	Nil
b. Any other employee who receive a grant of options in any one year of option amounting to 5% or more of option granted during the year			Nil	Nil	Nil	Nil
c. Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants & conversions) of the Company at the time of grant			Nil	Nil	Nil	Nil
13 Description of the method and significant assumptions used during the year to estimate the fair value of the options, including the following weighted average information						The Black Scholes option-pricing model was developed for estimating fair value of traded options that have no vesting restrictions and are fully transferable. Since option-pricing models require use of substantive assumptions, changes therein can materially affect fair value of options. The option pricing models do not necessarily provide a reliable measure of fair value of options.
14 The main assumptions used in the Black Scholes option-pricing model during the year were as follows:						
(i) Weighted average values of share price						Refer point no. 11
(ii) exercise price						Refer point no.11
(iii) Risk free interest rate						8%
(iv) Expected Life of Options						3 years
(v) Expected volatility						26-04-2016 (-6.92%), 04-11-2016 (0.72%)
(vi) Dividend yield						0.81%



# Notes to Financial Statements

for the Year ended March 31, 2022

- 15 The method used and the assumptions made to incorporate the effects of expected early exercise NA
- 16 How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility We have considered the historical price of the company at the stock exchange, where the trading volume is high. The average closing price on weekly basis was taken to calculate the volatility of the shares.
- 17 Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition. No

59. 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.

60. The financial statement are approved for issue by the Audit Committee and by the Board of Directors at its meeting held on May 20, 2022.

#### As per our report on even date

For **Singhi & Co.**  
Chartered Accountants  
ICAI Firm Registration No: 302049E

**Anurag Singhi**  
Partner  
Membership no: 066274

Place: New Delhi  
Date: May 20, 2022

#### For and on behalf of the Board of Directors

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

**Pirojshaw Sarkari**  
Chief Executive Officer

**Anish T Mathew**  
Chief Financial Officer  
M. No. 211965

**T S Maharani**  
Company Secretary  
M No. F8069

Place: Hyderabad  
Date: May 20, 2022

# Independent Auditor's Report

To The Members of **Gati Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Gati Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as group "the Group") comprising of the consolidated Balance Sheet as at March 31, 2022, the consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity, the consolidated Cash Flow Statement 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 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, their consolidated loss including other comprehensive income, their consolidated statement of changes in equity and the consolidated cash flows 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 (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated 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 obtained by us is sufficient and appropriate to provide a basis for our 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 of the current year. 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.

We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context. 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 our audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our opinion on the consolidated financial statements.

Sr. No.	Key Audit Matter	How our audit addressed the key audit matters
1	<p><b>Impairment of Goodwill (See Note 4 to the Consolidated Financial Statements)</b></p> <p>The Group holds goodwill of ₹ 42,580 lakhs on the statements of financial position.</p> <p>The determination of the recoverable amount of goodwill is a key judgment area as small changes in assumptions made, notably in respect of the future performance of the business and the discount rates applied to future cash flows projections can result in materially different outcomes.</p>	<p>Our audit with respect to impairment testing of goodwill included the following:</p> <ul style="list-style-type: none"> <li>• Engaging internal fair valuation experts to challenge management's underlying assumptions and appropriateness of the valuation model used.</li> <li>• Comparing the Group's assumptions with comparable benchmarks in relation to key inputs such as long-term growth rates and discount rates.</li> <li>• Assessing the appropriateness of the forecasted cash flows within the budgeted period based on their understanding of the business and sector experience.</li> </ul>

Sr. No.	Key Audit Matter	How our audit addressed the key audit matters
2	<p><b>Recoverability of Trade Receivable (See Note 13 to the Consolidated Financial Statements)</b></p> <p>The gross balance of trade receivables as at March 31, 2022 amounted to ₹ 29,068 lakhs.</p> <p>Due to the inherent subjectivity that is involved in making judgments in relation to credit risk exposures to determine the recoverability of trade receivables, recoverability of trade receivables is considered a key audit matter.</p>	<p>Our audit with respect to determining recovery of trade receivables included the following:</p> <ul style="list-style-type: none"> <li>• Evaluating the Group's processes and controls relating to the monitoring of trade receivables and review of credit risks of customers.</li> <li>• Examination of management's assessment of the credit review procedures of trade receivables, obtaining trade receivable confirmations, and mapping receipts from the trade receivables after the year end on test basis.</li> <li>• Evaluating management's assumptions used to determine the expected credit loss on trade receivables impairment amount, through detailed analyses of ageing of receivables to historical patterns of receipts, assessment of material overdue individual trade receivables and risks specific to the trade receivables.</li> </ul>
3	<p><b>Reasonableness of carrying amount of Assets held for sale (See Note 17 to the consolidated financial statements)</b></p> <p>The Group has classified assets earmarked for disposal as Assets held for sales. Assets held for sales carried at fair value or cost whichever is lower. Fair value has been estimated using significant unobservable input including 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>Our audit with respect to determining carrying value of Assets held for sales included the following:</p> <ul style="list-style-type: none"> <li>• Evaluating the Company's processes and controls relating to the classification and valuation of assets held for sale.</li> <li>• Examination of management's assessment of expectation of outcome of negotiation with prospective buyer.</li> <li>• Review of independent valuation report of independent external valuer.</li> </ul>

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's 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 during the course of 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.

### Management's Responsibility for the Consolidated Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial

position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS). 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 each 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 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 each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is also responsible for overseeing the financial reporting process of each company.

### **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 company has adequate internal financial controls with reference to consolidated 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 for preparation of consolidated financial statement 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, 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. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (i&ii) of the section titled "Other Matters" in this audit report.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statement of which we are independent auditor 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, 2022 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**

- i) The accompanying consolidated financial statement includes the unaudited financial statements and the other financial information, in respect of four Indian subsidiaries whose financial statements / financial information reflect total assets of ₹246 Lakhs as at 31<sup>st</sup> March, 2022 and total revenue of ₹ 57 Lakhs, net loss of ₹(263) Lakhs, total comprehensive income (comprising of loss and other comprehensive income) of ₹(263) Lakhs for the year ended

March 31, 2022 and net cash outflows amounting to ₹ 86 Lakhs for the year ended March 31, 2022, as considered in the consolidated financial statement. The unaudited financial statements have been furnished and certified to us by the management of the respective subsidiary companies. According to the information and explanation given by the management of the Holding company, these financial information are not material to the group.

- ii) The accompanying consolidated statement include unaudited financial statements/ financial information of one subsidiary (Ceased to be a subsidiary w.e.f. 14<sup>th</sup> July, 2021) whose financial statements / financial information reflect total revenue of ₹1006 Lakhs, net loss of ₹(427) Lakhs and total comprehensive income (comprising of loss and other comprehensive income) of ₹(427) Lakhs for the period 1<sup>st</sup> April, 2021 to 14<sup>th</sup> July, 2021 as considered in the consolidated financial statements.

The above unaudited financial statements / financial information as mentioned in other matters paragraph (i) and (ii) above has been furnished and certified to us by the management of the respective subsidiary company. According to the information and explanation given by the management of the Holding company, these financial information are not material to the group.

Our opinion on the consolidated financial statement and our report on other legal and regulatory requirement below is not modified in respect of the above matters with regard to the financial statements and 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 Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of Management certified financial statement which has not been audited by us, as noted in the 'other matter' paragraph we report, to the extent applicable, 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 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:
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement 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 the relevant rules thereon.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and its subsidiary companies incorporated in India, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, refer to our separate Report in Annexure "B" to this report;
- (g) With respect to the matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us the remuneration paid during the current year by one of the subsidiary to its directors is in accordance with provision of section 197 of the Act; and

- (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 management certified financial Statement on separate financial statements and 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 the consolidated financial position of the Group – Refer Note 40, 51 to the consolidated financial statements;
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts, 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 its subsidiary companies with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Holding Company or its subsidiary companies incorporated in India or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies, incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Parties or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (c) Based on such audit procedures as 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 (iv) (a) and (iv) (b) contain any material misstatement.
- (i) The Holding Company and respective subsidiary companies have not declared any dividend in the last year which has been paid in the current year. Further, no dividend has been declared in the current year.

For **Singhi & Co.**  
Chartered Accountants  
Firm Registration No.302049E

**(Anurag Singhi)**  
Partner

Place: New Delhi  
Date: 20<sup>th</sup> May, 2022

Membership No. 066274  
UDIN - 22066274AJIQIM4959

# Annexure A to the Independent Auditors' Report on consolidated financial statements of Gati Limited for the year ended 31 March 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

- i. Qualifications or adverse remarks given by us in the respective Companies (Auditors Report) Order (CARO) reports included in the consolidated financial statements are:

Sl.No.	Name	CIN	Holding company / Subsidiary	Clause number of the CARO report which is qualified or is adverse
1	Gati Limited	L63011TG1995PLC020121	Holding company	xvii,
2	Gati Kintetsu Express private Limited	L63011TG1995PLC020121	Subsidiary	i(c),ii(b)

- ii. The above does not include comments, if any, in respect of the following entities as the CARO report relating to them has not been issued by its auditor till the date of principal auditor's report.

Name of entities	CIN	Subsidiaries
Gati Import Export Trading Limited	U60232TG2008PLC057692	Subsidiary
Zen Cargo Movers Private Limited	U64120DL2007PTC160560	Subsidiary
Gati Kausar India Limited	U74899TG1984PLC089495	Subsidiary (Ceased to be a subsidiary w.e.f. 14 <sup>th</sup> July, 2021)
Gati Logistics Parks Private Limited	U63030TG2011PTC072285	Subsidiary
Gati Project Private Limited	U45400TG2011PTC072399	Subsidiary

For **Singhi & Co.**  
Chartered Accountants  
Firm Registration No.302049E

**(Anurag Singhi)**  
Partner

Membership No. 066274  
UDIN - 22066274AJIQIM4959

Place: New Delhi  
Date: 20<sup>th</sup> May, 2022

# Annexure - B to the Independent Auditor's Report

(Referred to in paragraph (f) with the heading 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

## Report on the Internal Financial Controls over financial Reporting 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 the Group as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statement of Gati Limited ('the Holding Company') and its subsidiary companies which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to financial statement based on the criteria established by the Group 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. 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 group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on holding Company's internal financial controls with reference to consolidated financial statement 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') issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 statement 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 statement and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial control system over financial reporting of the Holding Company and its subsidiaries, which are companies incorporated in India.

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal



financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the group has, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal financial control with reference to consolidated financial statements 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. However certain controls in respect of the revenue contract mapping needs to be further strengthened in case of holding company and one of the subsidiary Gati Kintetsu Express private Limited.

For **Singhi & Co.**  
Chartered Accountants  
Firm's Registration No. 302049E

**(Anurag Singhi)**

Partner

Place: New Delhi  
Date: 20<sup>th</sup> May, 2022

Membership No. 066274  
UDIN - 22066274AJIQIM4959

# Consolidated Balance Sheet

as at March 31, 2022

Particulars	Notes	(₹ in lakhs)	
		As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	3A	6,664	14,357
Right of use assets	3B	17,577	7,273
Goodwill	4	42,580	42,580
Other Intangible Assets	5	450	555
Intangible Assets under Development	6	59	-
Financial Assets			
Others	7	871	538
Deferred tax Assets (Net)	8	2,781	2,440
Non-Current tax Assets (Net)	9	7,178	8,335
Other non-current assets	10	169	309
		<b>78,329</b>	<b>76,387</b>
<b>CURRENT ASSETS</b>			
Inventories	11	279	382
Financial assets			
Investments	12	1,011	-
Trade receivables	13	23,233	19,546
Cash and cash equivalents	14A	1,581	4,247
Bank Balances other than above	14B	236	1,381
Other Financial Assets	15	1,772	2,277
Other current assets	16	3,328	3,507
Assets classified as held for sale	17	13,264	15,988
		<b>44,704</b>	<b>47,328</b>
<b>TOTAL ASSETS</b>		<b>123,033</b>	<b>123,715</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	18	2,459	2,439
Other Equity	19	53,526	50,071
<b>Equity attributable to owners of the company</b>		<b>55,985</b>	<b>52,510</b>
Non controlling interest		7,686	8,472
<b>TOTAL EQUITY</b>		<b>63,671</b>	<b>60,982</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities			
Borrowings	20	854	2,620
Lease Liabilities	21	14,005	6,040
Other financial liabilities	22	12	24
Provisions	23	1,541	1,096
		<b>16,412</b>	<b>9,780</b>
<b>CURRENT LIABILITIES</b>			
Financial liabilities			
Borrowings	24	14,379	24,982
Lease Liabilities	21	3,196	1,137
Trade payables	25		
(a) Total outstanding dues of Micro and Small Enterprises		1,570	345
(b) Total outstanding dues of creditors other than Micro and Small Enterprises		8,606	8,563
Other financial liabilities	26	12,217	12,457
Other current liabilities	27	2,453	2,824
Current Tax Liabilities	28	-	2,257
Provisions	29	529	389
		<b>42,950</b>	<b>52,953</b>
<b>TOTAL LIABILITIES</b>		<b>59,362</b>	<b>62,733</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>123,033</b>	<b>123,715</b>

Significant accounting policies and key accounting estimates and judgements

1&2

The accompanying significant accounting policies and notes form an integral part of the Consolidated Financial Statements

**As per our report on even date**

For **Singhi & Co.**  
Chartered Accountants  
Firm Registration No: 302049E

**Anurag Singhi**  
Partner  
Membership no: 066274

Place: New Delhi  
Date: May 20, 2022

**For and on behalf of the Board of Directors**

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

**Anish T Mathew**  
Chief Financial Officer  
M. No. 211965

Place: Hyderabad  
Date: May 20, 2022

**Pirojshaw Sarkari**  
Chief Executive Officer

**T S Maharani**  
Company Secretary  
M No. F8069

# Consolidated Statement of Profit and Loss

for the Year ended March 31, 2022

Particulars	Notes	(₹ in lakhs)	
		Year Ended March 31, 2022	Year Ended March 31, 2021
<b>I INCOME</b>			
Revenue from Operations	30	148,994	131,424
Other Income	31	1,530	1,041
<b>TOTAL INCOME (I)</b>		<b>150,524</b>	<b>132,465</b>
<b>II EXPENSES</b>			
Operating Expenses	32	92,696	74,689
Purchase of Stock-in-trade		22,162	23,919
Changes in Inventories of Stock-in-Trade	33	53	335
Employee Benefit Expense	34	15,805	16,291
Finance Costs	35	2,732	4,514
Depreciation and Amortisation expense	36	3,492	4,013
Other Expenses	37	14,839	13,475
<b>TOTAL EXPENSES (II)</b>		<b>151,779</b>	<b>137,236</b>
<b>III PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)</b>		<b>(1,255)</b>	<b>(4,771)</b>
<b>IV Exceptional Items</b>	38	(1,205)	20,486
<b>V PROFIT/(LOSS) BEFORE TAX (III-IV)</b>		<b>(50)</b>	<b>(25,257)</b>
<b>VI TAX EXPENSES</b>	39		
Current Tax		231	-
Deferred Tax		(242)	(1,718)
Income Tax for earlier years		404	1,054
<b>TOTAL TAX EXPENSES</b>		<b>393</b>	<b>(664)</b>
<b>VII PROFIT/(LOSS) FOR THE YEAR (V-VI)</b>		<b>(443)</b>	<b>(24,593)</b>
<b>VIII OTHER COMPREHENSIVE INCOME (OCI)</b>			
<b>A) Items not to be reclassified to profit or loss in subsequent periods:</b>			
Remeasurement gains/ (losses) on defined benefit plans		(425)	(258)
Income tax effect on above items		105	83
<b>B) Items will be reclassified to profit or loss in subsequent periods:</b>			
Exchange difference arising on translation of foreign operations		-	1,088
Income tax effect on above items		-	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR (NET OF TAX)</b>		<b>(320)</b>	<b>913</b>
<b>IX TOTAL COMPREHENSIVE INCOME FOR THE YEAR (VII+VIII)</b>		<b>(763)</b>	<b>(23,680)</b>
<b>X Profit/(Loss) for the year</b>		<b>(443)</b>	<b>(24,593)</b>
Attributable to:			
Owners of the company		887	(22,788)
Non-Controlling Interests		(1,330)	(1,805)
<b>Total comprehensive income for the year</b>		<b>(763)</b>	<b>(23,680)</b>
Attributable to:			
Owners of the company		661	(21,802)
Non-Controlling Interests		(1,424)	(1,878)
<b>EARNINGS PER EQUITY SHARE</b>			
<b>(NOMINAL VALUE PER SHARE: ₹ 2/- (PREVIOUS YEAR ₹ 2/-))</b>			
Basic (In ₹)		(0.36)	(18.69)
Diluted (In ₹)		(0.36)	(18.69)

The accompanying significant accounting policies and notes form an integral part of the Consolidated Financial Statements

**As per our report on even date**

For **Singhi & Co.**  
Chartered Accountants  
Firm Registration No: 302049E

**Anurag Singhi**  
Partner  
Membership no: 066274

Place: New Delhi  
Date: May 20, 2022

**For and on behalf of the Board of Directors**

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

**Pirojshaw Sarkari**  
Chief Executive Officer

**Anish T Mathew**  
Chief Financial Officer  
M. No. 211965

Place: Hyderabad  
Date: May 20, 2022

**T S Maharani**  
Company Secretary  
M No. F8069

# Consolidated Cash Flow Statement

for the Year ended March 31, 2022

Particulars	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>A : Cash Flow From Operating Activities</b>		
Net Profit/(Loss) Before Taxes after exceptional items as per Statement of Profit and Loss	(50)	(25,257)
<b>Adjustments For :</b>		
Depreciation and Amortisation expense	3,492	4,013
Net (gain)/ loss on sale of Property, plant & equipment	238	1,784
Expenses on Employee Stock Option scheme	-	1
Finance Costs	2,732	4,513
Interest Income on deposits with bank & others	(40)	(159)
Interest on refund of Income tax	(275)	(309)
Net Foreign Exchange (gain)/ Loss	(2)	9
Allowance for Doubtful Receivables	1,731	1,158
Bad debts and irrevocable balances written off	112	393
Provision towards advance	0	2,474
Liability no longer required - written back	(1,014)	(126)
Impairment allowance on Property, plant & Equipment	524	-
Net gain on sale of investments	(1)	(111)
Allowance for Expiry Stock	42	14
Net gain on sale of Mutual Funds	(19)	(80)
Provision for loss allowances recognised in earlier years	(62)	(292)
(Gain)/loss on disposal of Profit on disposal of Subsidiary	(6,012)	1,127
Severance payment on disposal of Investment in Gati Kausar India Limited	1,305	-
Provision for GST related expenses (Net of amount paid)	1,189	-
Net (gain)/ loss on sale of Assets classified as held for sale	78	-
Provision for Employees Share appreciation rights	33	-
Net (gain)/loss on Asset held for sale Classification	1,302	15,348
Net (gain)/ loss on Lease modification	47	-
<b>Operating profit before changes in operating assets and liabilities</b>	<b>5,350</b>	<b>4,500</b>
<b>Adjustment for changes in operating assets and liabilities:</b>		
Decrease / (Increase) In Trade Receivables	(5,478)	(597)
Decrease / (Increase) In Inventories	48	567
Decrease / (Increase) in Other Current Assets	46	(1,296)
Decrease / (Increase) in Other Current Financial Assets	(376)	211
Decrease / (Increase) in Loans and Other Non Current Assets	(197)	45
Increase / (Decrease) In Trade Payables	2,067	(2,234)
Increase / (Decrease) in Non Current Liabilities	-	37
Increase / (Decrease) in Current Financial Liabilities	(375)	2,255
Increase / (Decrease) in Current Liabilities	(354)	1,956
Increase / (Decrease) in Provisions	194	230
<b>Cash generated from Operating Activities</b>	<b>926</b>	<b>5,674</b>
Direct Taxes paid (net of refunds)	(1,580)	(783)
<b>Net Cash generated/(used) in Operating Activities (A)</b>	<b>(654)</b>	<b>4,891</b>
<b>B : Cash Flow From Investing Activities</b>		
Sale proceeds from Property, Plant and Equipment	4,720	5,889
Purchase of Property, Plant and Equipment including Capital work in progress	(859)	(498)
Purchase of Intangible Assets	(59)	(158)
Sale proceeds from Current Investments	4,408	7,862
Purchase of Current Investments	(5,399)	-
Sale proceeds/(Purchase) from Non current Investments	-	111
Interest Received	47	159
Investment in/Proceeds from bank Fixed Deposit (Net)	1,141	111
Severance payment on disposal of Investment in Gati Kausar India Limited	(1,305)	-
<b>Net Cash generated/(used) in Investing Activities (B)</b>	<b>2,694</b>	<b>13,476</b>

# Consolidated Cash Flow Statement

for the Year ended March 31, 2022

Particulars	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>C: Cash Flow From Financing Activities</b>		
Proceeds from issue of Equity Shares (Net of Issue expenses)	2,737	-
Proceeds from Public deposits	-	44
Repayment of Public deposits	(297)	(670)
Proceeds of Long term borrowings	-	1,327
Repayment of Long term borrowings	(1,801)	(12,666)
Payment of Principal Portion of Lease liabilities	(1,676)	(986)
Payment of interest on Lease liabilities	(985)	(909)
Movement in Short term borrowings (Net)	(449)	(872)
Finance Costs	(2,222)	(2,608)
<b>Net Cash generated/(used) from Financing Activities ('C)</b>	<b>(4,693)</b>	<b>(17,340)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(2,653)</b>	<b>1,028</b>
Cash and Cash Equivalents as at the beginning of the year	4,247	3,366
Less: Cash and cash equivalents of disposed subsidiary	(12)	(147)
<b>Cash and Cash Equivalents as at the Year ended</b>	<b>1,581</b>	<b>4,247</b>

**Notes:**

1. 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**

	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Balance with Banks:</b>		
On Current Accounts	1,504	4,129
Deposits with original maturity of less than three months	57	79
Cash on hand	20	39
<b>Cash and Cash Equivalents (Refer Note 14A)</b>	<b>1,581</b>	<b>4,247</b>

**Reconciliation of movements of liabilities to cash flows arising from financing activities.**

	(₹ In Lakhs)				
	Public Deposits	Short Term Borrowings	Long Term Borrowings *	Lease liabilities	Interest Accrued but not due
Balance as at April 1, 2020	1,268	15,388	23,060	7,917	228
Cash Flow Changes (Net)	(605)	(872)	(11,339)	(986)	-
Interest Expense	-	-	-	910	3,604
Interest Paid	-	-	-	(909)	(2,608)
Others	-	-	702	246	(720)
<b>Balance as at March 31, 2021</b>	<b>663</b>	<b>14,516</b>	<b>12,423</b>	<b>7,177</b>	<b>504</b>
Cash Flow Changes (Net)	(259)	(449)	(1,801)	(1,676)	-
Interest Expense	-	-	-	985	1,747
Interest Paid	-	-	-	(985)	(2,222)
Others	-	(260)	(9,598)	11,700	-
<b>Balance as at March 31, 2022</b>	<b>404</b>	<b>13,806</b>	<b>1,024</b>	<b>17,201</b>	<b>29</b>

(\*) Includes current maturities of long term borrowings

**Note :**

- Public deposits balance does not include the obligation related to unpaid matured deposits which is grouped under "Other Current Financial liabilities".
- Others represent adjustment on account of de-recognition of liabilities related to "Gati Kausar India limited", which ceased to be a subsidiary with effect from July 14, 2021 and non-cash movement in lease liabilities. (Refer Note 41 & 61).

**As per our report on even date**

For **Singhi & Co.**  
Chartered Accountants  
Firm Registration No: 302049E

**Anurag Singhi**  
Partner  
Membership no: 066274

Place: New Delhi  
Date: May 20, 2022

**For and on behalf of the Board of Directors**

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

**Anish T Mathew**  
Chief Financial Officer  
M. No. 211965

Place: Hyderabad  
Date: May 20, 2022

**Pirojshaw Sarkari**  
Chief Executive Officer

**T S Maharani**  
Company Secretary  
M No. F8069

# Consolidated Statement of Changes in Equity

for the Year ended March 31, 2022

## A) Equity Share Capital

Particulars	(₹ In Lakhs)	
	No of Shares	Amount
Balance as at March 31, 2020	12,19,45,977	2,439
Changes in Equity Share Capital for the year ended March 31, 2021	-	-
Balance as at March 31, 2021	12,19,45,977	2,439
Changes in Equity Share Capital for the year ended March 31, 2022	10,23,020	20
Balance as at March 31, 2022	12,29,68,997	2,459

## B) Other Equity

Particulars	Reserves and Surplus							Non controlling Interest	Total Equity	
	Securities Premium	General Reserve	Capital Reserve	Tonnage Tax Reserve (Utilized)	Share Option Outstanding account/ESAR's	Special Reserve	Retained Earnings			
Balance as at March 31, 2021	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 equity shares	967	-	-	-	-	-	-	967	-	967
Issue of shares pursuant to preferential allotment	-	-	-	-	-	-	-	1,750	-	1,750
Share based payment reserve-ESARs	-	-	-	-	56	-	-	56	-	56
Other Comprehensive income	-	-	-	-	-	-	(226)	(226)	(94)	(320)
Balance as at March 31, 2022	35,067	10,505	2,084	929	56	14,707	(11,572)	53,526	7,686	61,212

Particulars	Reserves and Surplus							Non controlling Interest	Total Equity	
	Securities Premium	General Reserve	Capital Reserve	Tonnage Tax Reserve (Utilized)	Share Option Outstanding account/ESAR's	Special Reserve	Retained Earnings			
Balance as at March 31, 2020	34,100	10,460	2,084	929	45	14,707	10,636	71,873	10,350	82,223
Profit/(Loss) for the year	-	-	-	-	-	-	(22,788)	(22,788)	(1,805)	(24,593)
Employee stock options lapsed	-	45	-	-	(45)	-	-	-	-	-
Other Comprehensive income	-	-	-	-	-	-	(102)	987	(74)	913
Balance as at March 31, 2021	34,100	10,505	2,084	929	-	14,707	(12,254)	50,071	8,472	58,543

The accompanying significant accounting policies and notes form an integral part of the Consolidated Financial Statements

### As per our report on even date

For Singhi & Co.  
Chartered Accountants  
Firm Registration No: 302049E

Anurag Singhi  
Partner  
Membership no: 066274

Place: New Delhi  
Date: May 20, 2022

### For and on behalf of the Board of Directors

Shashi Kiran Shetty  
Chairman & Managing Director  
DIN: 00012754

Anish T Mathew  
Chief Financial Officer  
M. No. 211965

Place: Hyderabad  
Date: May 20, 2022

Pirojshaw Sarkari  
Chief Executive Officer

T S Maharani  
Company Secretary  
M No. F8069

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

## 1) 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 31<sup>st</sup> March, 2021. The Company is a public limited company incorporated in 1995 under provisions of the companies Act, 1956 having its Registered and Corporate Office at Plot no.20, Survey no.12, Kothaguda, Kondapur, Hyderabad - 500 084. Telangana, India. The company 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, Freight Forwarding (Domestic and International) and Cold Chain - transportation and Warehousing, Fuel station. The company is listed on National Stock exchange (NSE) and Bombay Stock Exchange (BSE).

## 2) Basis of Accounting:

### 2.1 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.

### 2.2 Basis of Measurement

The 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
- Employee share-based payments - Measured at fair value

### 2.3 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.

### 2.4 Estimation of uncertainties relating to the global health pandemic from COVID-19

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables and unbilled revenues. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related

information, economic forecasts. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these consolidated financial statements.

### 2.5 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:

- (i) Defined benefit obligation
- (ii) Recognition of current tax and deferred tax
- (iii) Recognition and measurement of provisions and contingencies
- (iv) Fair value measurement of Financial instruments
- (v) Provision for Doubtful Debts and advances
- (vi) Share based payments
- (vii) Impairment of Goodwill

### 2.6 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2021. Specifically, the Group controls an investee if and only if the Group has:

- 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
- The ability to use its power over the investee to affect its returns

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,

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

income and expenses of a subsidiary acquired or disposed off 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 the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a subsidiary of the company 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 subsidiary's 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 on March 31, 2021. 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.

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 Procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses of the parent with those of its subsidiaries.
- (b) 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 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). Ind AS12 Income Taxes applies to temporary differences that

arise from the elimination of profits and losses resulting from intragroup transactions.

- (c) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are translated at the average rates prevailing during the period. Assets, liabilities are translated at the closing rate. Any exchange difference arising on translation is recognised in the "Foreign Currency Translation Reserve".
- (d) 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.
- (e) **Investment in Associates**  
An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate subsequently reports profits,



# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

## 2.7 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 sold or consumed 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.

## 2.8 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 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1<sup>st</sup>, 2022, as below:

- Ind AS 103 – Reference to Conceptual Framework** - The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.
- Ind AS 16 – Proceeds before intended use** - The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.
- Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract** - The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.
- Ind AS 109 – Annual Improvements to Ind AS (2021)** - The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to de-recognise a financial liability.
- Ind AS 116 – Annual Improvements to Ind AS (2021)** - The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its consolidated financial statements.

### 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.

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

## 2.9 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 cost, less any 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, 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 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 working 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 disclosed separately as Other Non-current Assets.

### Non-current assets held for sale

Non-current assets held for sale 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 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.
- 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.

## 2.10 Intangible Assets:

Intangible assets are stated at acquisition cost net of accumulated amortisation or cumulative impairment, if any. The Group capitalizes identifiable costs relating to development of internally generated software and these are stated net of accumulated amortisation.

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.

## 2.11 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 identified asset for a period of time in exchange for consideration.

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

## 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 2.12 Impairment of non-financial 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.

## 2.12 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.
- 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

# Notes to Consolidated Financial Statements

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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.

## 2.13 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.

## 2.14 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.

## 2.15 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) Rendering of 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 Group and amount of income can be measured reliably.
- III. Rent income is recognised on a straight-line basis over the period of the lease.

## 2.16 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument in 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

# Notes to Consolidated Financial Statements

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- 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:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- 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:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Financial assets included within the FVTOCI 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, 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 through fair value through profit or loss (FVTPL):

A financial liability is classified as 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.

# Notes to Consolidated Financial Statements

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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.

**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.

**2.17 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

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

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.

## 2.18 Employee benefits:

### a) 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.

### b) 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 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.

### c) 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 recognised in the Statement of Profit and Loss.

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

## d) 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.

## 2.19 Income taxes:

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 comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

### a) 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.

### b) Deferred tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

## 2.20 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.

## 2.21 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.

## 2.22 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.

## 2.23 Segment information:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

## 2.24 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



# Notes to Consolidated Financial Statements

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outstanding account, are credited to equity share capital (nominal value) and Securities Premium.

## 2.25 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.

## 2.26 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 Consolidated Financial Statements

for the Year ended March 31, 2022

## 3A Property, Plant and Equipment

### Tangible Assets

Particulars	Gross Block				Accumulated Depreciation				Net Carrying Value As at March 31, 2022		
	As at March 31, 2021	Additions	Deductions/Adjustment	As at March 31, 2022	As at March 31, 2021	Depreciation for the year	Impairment for the year	Deductions/Adjustment		Assets reclassified to held for Sale	As at March 31, 2022
Freehold Land	4,545	-	-	2,176	-	-	524	-	-	524	1,652
Fleet	3,538	-	3,538	-	2,590	80	-	2,670	-	0	(0)
Buildings	3,387	-	1,993	794	712	54	-	508	119	138	656
Lease Hold Improvements	-	78	-	78	-	1	-	-	-	1	77
Vehicles	1,098	8	674	432	448	84	-	318	-	214	218
Plant & Machinery	5,997	205	1,438	4,764	2,635	318	-	452	-	2,501	2,263
Computers	4,365	176	307	4,234	3,719	441	-	297	-	3,863	371
Furniture & Fittings	3,808	245	163	3,890	2,577	234	-	83	-	2,728	1,162
Office Equipments	2,320	92	48	2,364	2,020	125	-	46	-	2,099	265
	<b>29,058</b>	<b>804</b>	<b>8,161</b>	<b>18,732</b>	<b>14,701</b>	<b>1,337</b>	<b>524</b>	<b>4,374</b>	<b>119</b>	<b>12,068</b>	<b>6,664</b>

(₹ In Lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Carrying Value As at March 31, 2021		
	As at March 31, 2020	Additions	Deductions/Adjustment	As at March 31, 2021	As at March 31, 2020	For the year	Impairment for the year	Deductions/Adjustment		Assets reclassified to held for Sale	As at March 31, 2021
Freehold Land	32,734	-	6,516	21,673	4,545	392	-	257	-	-	4,545
Fleet	3,810	-	272	-	3,538	245	-	87	-	2,590	947
Buildings	9,390	-	533	5,470	3,387	235	-	487	778	712	2,676
Vehicles	4,621	14	1,159	2,378	1,098	463	-	15	531	448	650
Plant & Machinery	5,772	278	53	5,997	2,230	420	-	581	-	2,635	3,362
Computers	4,868	84	588	4,365	3,778	522	-	-	-	3,719	646
Furniture & Fittings	3,744	64	-	3,808	2,291	286	-	-	-	2,577	1,231
Office Equipments	2,272	58	10	2,320	1,819	211	-	10	-	2,020	300
TOTAL	<b>67,211</b>	<b>498</b>	<b>9,131</b>	<b>29,521</b>	<b>14,918</b>	<b>2,529</b>	<b>-</b>	<b>1,437</b>	<b>1,309</b>	<b>14,701</b>	<b>14,557</b>

(₹ In Lakhs)

Notes :

- The amount of Contractual commitments for acquisition of property, plant and equipment is disclosed in Note-40(I)
- Refer Note 20 and Note 24 for information on Property, Plant and Equipments pledged as securities by the Company.
- The group has not capitalised any borrowing cost during the year.
- 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.

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

## 3B Right of use Assets (ROU)

Particulars	Gross Block				Accumulated Depreciation				Net Carrying Value As at March 31, 2022 (₹ In Lakhs)	
	As at March 31, 2021	Additions	Deductions/ Adjustment	Assets reclassified to held for Sale	As at March 31, 2022	Depreciation for the year	Deductions/ Adjustment	Assets reclassified to held for Sale		As at March 31, 2022
Leasehold Land	910	89	-	89	910	10	-	-	78	832
Buildings	7,339	12,959	1,239	-	19,059	1,692	336	-	3,389	15,670
Vehicles	1,334	-	7	-	1,327	166	4	-	642	685
Vehicles - ALD Cars	-	22	-	-	22	4	-	-	4	18
Computers	346	314	-	-	660	104	-	-	324	336
Plant & Machinery Leased	-	38	-	-	38	2	-	-	2	36
Others	162	-	162	-	-	3	21	-	-	-
<b>Total Right of use Assets (ROU)</b>	<b>10,091</b>	<b>13,422</b>	<b>1,408</b>	<b>89</b>	<b>22,016</b>	<b>1,981</b>	<b>361</b>	<b>-</b>	<b>4,439</b>	<b>17,577</b>

Particulars	Gross Block				Accumulated Depreciation				Net Carrying Value As at March 31, 2021 (₹ In Lakhs)	
	As at March 31, 2020	Additions	Deductions/ Adjustment	Assets reclassified to held for Sale	As at March 31, 2020	Depreciation for the year	Deductions/ Adjustment	Assets reclassified to held for Sale		As at March 31, 2021
Leasehold Land	1,034	-	-	124	910	11	-	9	68	843
Buildings	7,127	456	244	-	7,339	1,061	22	32	2,033	5,305
Vehicles	1,367	-	33	-	1,334	170	-	13	480	855
Computers	346	-	-	-	346	70	-	-	220	126
Others	162	-	-	-	162	9	-	-	18	144
<b>Total Right of use Assets (ROU)</b>	<b>10,036</b>	<b>456</b>	<b>277</b>	<b>124</b>	<b>10,091</b>	<b>1,320</b>	<b>22</b>	<b>54</b>	<b>2,818</b>	<b>7,273</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.
- The group obligation under leases are secured by lessor's title to the leased assets.

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

## 4. Goodwill

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Goodwill	42,580	44,688
Less : Impairment on goodwill	-	(2,108)
	<b>42,580</b>	<b>42,580</b>

Note:

- Goodwill represents the excess of the purchase price over the fair value of the identifiable net assets of subsidiary company.
- Movement in the gross value of goodwill is on account of loss of control in Gati Kausar India Limited.

## 5 Other Intangible Assets

Particulars	Gross Block			Accumulated Depreciation and Impairment			Net Carrying Value As at March 31, 2022
	As at March 31, 2021	Additions	Deductions/ Adjustment	As at March 31, 2022	Amortization for the year	Impairment for the year	
Computer Software	1,680	72	-	1,752	174	5	1,303
<b>Total</b>	<b>1,680</b>	<b>72</b>	<b>-</b>	<b>1,752</b>	<b>174</b>	<b>5</b>	<b>450</b>

Particulars	Gross Block			Accumulated Depreciation and Impairment			Net Carrying Value As at March 31, 2021
	As at March 31, 2020	Additions	Deductions/ Adjustment	As at March 31, 2021	Amortization for the year	Impairment for the year	
Computer Software	1,315	365	-	1,680	164	-	1,125
<b>Total</b>	<b>1,315</b>	<b>365</b>	<b>-</b>	<b>1,680</b>	<b>164</b>	<b>-</b>	<b>555</b>

Note: Impairment represents reduction in the recoverable value of licence right in one of the wholly owned subsidiary " Zen Cargo Movers Private Limited".

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

## 6. Intangible Assets under Development

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Software under Development	59	-
	<b>59</b>	-
	-	-
	59	-
	<b>59</b>	-

### Notes:

Expenses during the year capitalised in respect of Intangible Assets under Development

- a) Employee Benefit expenses
- b) Other expenses

## Intangible assets under development ageing schedule

	As at 31st March, 2022				
	Less than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	Total
Projects in progress					
As at 31 <sup>st</sup> March, 2022	59	-	-	-	59
As at 31 <sup>st</sup> March, 2021	-	-	-	-	-
	<b>59</b>	-	-	-	<b>59</b>

### Notes:

- a) Company does not have any overdue projects as of 31 March 2022.
- b) Company does not have any projects where its cost has exceeded its original budget value.

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

## 7 Other Non-Current Financial assets

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, Considered Good</b>		
Advances and Deposit with others	779	538
Margin money with Banks more than 12 months	37	-
Deposit with Banks more than 12 months	55	-
<b>Total (A)</b>	<b>871</b>	<b>538</b>
Gati Kausar India Ltd. of ₹ 10/-each (*)	8	-
Less: Impairment Allowance	(8)	-
<b>Total (B)</b>	-	-
<b>Grand Total</b>	<b>871</b>	<b>538</b>

(\*) Investment in one of the subsidiary "Gati Kausar India Ltd." 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 is fully provided in earlier years.

## 8. Deferred tax Assets (Net)

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
MAT Credit	10	16
Deferred Tax Asset (Net)	2,771	2,424
<b>Total</b>	<b>2,781</b>	<b>2,440</b>

### 8.1. Movement in Deferred Tax Assets and Liabilities during the year ended March 31, 2021 and March 31, 2022

	(₹ In Lakhs)				
Deferred Tax Balance in relation to	As at March 31, 2021	Recognised In Statement of Profit & Loss	Recognised In Other Comprehensive Income(OCI)	Others	As at March 31, 2022
<b>Deferred Tax Assets/(Liabilities)</b>					
Property, plant and equipment	717	(480)	-	-	237
Allowances for Doubtful Receivables	1,035	762	-	-	1,797
Employee benefits - Gratuity and Leave Encashment	375	30	105	-	510
Other temporary Differences	297	(70)	-	-	227
MAT Credit Entitlement (Net)	16	-	-	(6)	10
<b>Deferred Tax Assets/(Liabilities)</b>	<b>2440</b>	<b>242</b>	<b>105</b>	<b>(6)</b>	<b>2781</b>

	(₹ In Lakhs)				
Deferred Tax Balance in relation to	As at March 31, 2020	Recognised In Statement of Profit & Loss	Recognised In Other Comprehensive Income(OCI)	Others	As at March 31, 2021
<b>Deferred Tax Assets/(Liabilities)</b>					
Property, plant and equipment	(552)	1,269	-	-	717
Allowances for Doubtful Receivables	802	233	-	-	1,035
Employee benefits - Gratuity and Leave Encashment	306	(14)	83	-	375
Other temporary Differences	67	230	-	-	297
MAT Credit Entitlement (Net)	16	-	-	-	16
<b>Deferred Tax Assets/(Liabilities)</b>	<b>639</b>	<b>1,718</b>	<b>83</b>	<b>-</b>	<b>2,440</b>

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

## 9. Non-Current Tax Assets (Net)

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Tax Deducted at Source	13,645	15,660
Advance Tax	1,669	1,501
Provision for Income Tax	(8,136)	(8,825)
<b>Total</b>	<b>7,178</b>	<b>8,335</b>

## 10. Other Non Current Assets

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Capital Advance</b>		
Unsecured, considered good	29	52
Unsecured, considered doubtful	173	159
	<b>202</b>	<b>211</b>
Less: Allowance for doubtful advances	(173)	(159)
	<b>29</b>	<b>52</b>
Balances with statutory Authorities	134	137
Prepaid Expenses	4	26
Others	2	94
<b>Total</b>	<b>169</b>	<b>309</b>

## 11. Inventories

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>(At Lower of the cost or Net realisable value)</b>		
Stock-in-Trade	336	389
Less: - Provision on Stock-in-Trade	(57)	(14)
Stores and spares	-	7
<b>Total</b>	<b>279</b>	<b>382</b>

**Note:** No inventories were pledged as security for liabilities during the period and comparable period.

## 12. Investments

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Investment at Fair Value through Profit &amp; Loss (Unquoted)</b>		
Kotak Overnight Fund - Growth : 22337.285 (31 March 2021 Nil) Units	253	-
ICICI Prudential Overnight Fund - Growth: 221120.158 (31 March 2021 Nil) Units	253	-
Tata Overnight Fund - Growth: 22603.20 (31 March 2021 Nil) Units	253	-
Nippon India Overnight Fund - Growth: 222632.61 (31 March 2021 Nil) Units	253	-
<b>Total</b>	<b>1,011</b>	<b>-</b>
Aggregate Market Value of Unquoted Investments	1,011	-
Aggregate carrying cost of Unquoted Investments	1,004	-

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

## 13. Trade Receivables

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Unsecured</b>		
Considered Good	23,233	19,546
Credit Impaired	5,835	4,275
	<b>29,068</b>	<b>23,821</b>
Less: Allowance for Doubtful Receivables (Refer Note: 46C)	5,835	4,275
<b>Total</b>	<b>23,233</b>	<b>19,546</b>

### Ageing for trade receivables as at 31st March, 2022

	(₹ In Lakhs)						
	Outstanding for following periods from the date of transaction#						
	Unbilled	Less than 6 months	6 months - 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	Total
i) Undisputed Trade receivables - Considered good	619	21,425	902	2	1	0	22,949
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables - Credit impaired	36	571	683	941	169	115	2,515
iv) Disputed Trade receivables - Considered good	-	-	-	-	17	267	284
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables - Credit impaired	-	-	-	244	364	2,712	3,320
<b>Gross Trade Receivables</b>	<b>655</b>	<b>21,996</b>	<b>1,585</b>	<b>1,187</b>	<b>551</b>	<b>3,094</b>	<b>29,068</b>
Less: Allowances for Doubtful Receivables							(5,835)
<b>Balance as on March 31, 2022</b>							<b>23,233</b>

### Ageing for trade receivables as at 31st March, 2021

	(₹ In Lakhs)						
	Outstanding for following periods from the date of transaction#						
	Unbilled	Less than 6 months	6 months - 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	Total
i) Undisputed Trade receivables - Considered good	238	18,439	363	14	-	6	19,060
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables - Credit impaired	-	251	258	428	50	123	1,110
iv) Disputed Trade receivables - Considered good	-	-	-	5	3	478	486
v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables - Credit impaired	-	84	122	438	365	2,156	3,165
<b>Gross Trade Receivables</b>	<b>238</b>	<b>18,774</b>	<b>743</b>	<b>885</b>	<b>418</b>	<b>2,763</b>	<b>23,821</b>
Less: Allowances for Doubtful Receivables							(4,275)
<b>Balance as on March 31, 2021</b>							<b>19,546</b>

(#)Ageing is from the date of transaction which is different from the due date.

#### Note:

- No Trade receivables are due from directors and other officers of the company either severally or jointly with any other person.
- For details of debts due from firms or private companies in which any director is a partner, a director or a member, Refer Note 49 of related party transactions.
- The Carrying amount of trade receivables is pledged as security for borrowings. (Refer Note 24)
- Trade Receivables are non interest bearing and are generally on terms of 30 to 90 days.
- Wherever amounts are "0", the value is less than rupees fifty thousand.



# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

## 14A. Cash and Cash Equivalents

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Cash in hand	20	39
Balances with Banks:		
In Current Accounts	1,504	4,129
Deposits with original maturity of less than three months	57	79
<b>Total</b>	<b>1,581</b>	<b>4,247</b>

## 14B. Bank Balances other than disclosed in note 14A above

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Deposits with original maturity of more than three months and less than twelve months	155	1,073
Balances with Bank held as margin money/ security	17	222
Unpaid Dividend account	64	86
<b>Total</b>	<b>236</b>	<b>1,381</b>

## 15. Other Financial Assets

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>(Unsecured, considered good unless otherwise stated)</b>		
Accrued Interest on Deposits, Loan and investments (Includes doubtful receivable ₹ Nil, PY ₹ 2157 Lakhs)	12	2,176
Less: Allowance for doubtful receivable	-	(2,157)
	<b>12</b>	<b>19</b>
Security Deposits	1,577	2,009
Earnest Money Deposits	10	10
Advance to Employees	8	16
Loans to others	3	38
Loan receivable with credit Impaired	164	164
Less: Allowance for Doubtful Loans	(164)	(164)
Other Advances receivable (Includes doubtful receivable ₹ 2,321 Lakhs, PY ₹ 2319 Lakhs)	2,483	2,505
Less: Allowance for doubtful receivable	(2,321)	(2,319)
<b>Total</b>	<b>1,772</b>	<b>2,277</b>

## 16. Other Current Assets

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>(Unsecured, Considered good unless otherwise stated)</b>		
Advance against Supply of Goods and Services (Includes doubtful receivable ₹ 455 Lakhs, PY ₹ 497 Lakhs)	2,181	3,273
Less: Provision for doubtful advances	(455)	(497)
	<b>1,726</b>	<b>2,776</b>
Loans and Advances to employees		
Prepaid Expenses	594	379
Balances with Government Authorities	874	352
Less- Provision for doubtful ITC- GST	(50)	-
Others	184	-
<b>Total</b>	<b>3,328</b>	<b>3,507</b>

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

## 17. Assets held for sale

### A) Property, Plant & Equipment

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Land & Building	12,819	14,285
Plant & Machinery	59	59
Furniture & Fixtures	327	327
Office Equipment	47	47
Commercial vehicles	12	1,270
<b>Total</b>	<b>13,264</b>	<b>15,988</b>

### B) Investments

	As at March 31, 2022		As at March 31, 2021	
	Number/units	Amount	Number/units	Amount
<b>Investment in an Associate</b>				
Gati Ship Ltd. of ₹ 10/- each	48,00,000	8,623	48,00,000	8,623
Less: Impairment Allowance		(8,623)		(8,623)
<b>Total</b>		-		-

#### Note-

- 1) 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. Equity Share Capital

	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
<b>Authorized:</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:</b>				
Equity Shares of ₹ 2/- each fully paid up	12,29,68,997	2,459	12,19,45,977	2,439
		<b>2,459</b>		<b>2,439</b>
<b>Subscribed and Paid-up:</b>				
Equity Shares of ₹ 2/- each fully paid up	12,29,68,997	2,459	12,19,45,977	2,439
		<b>2,459</b>		<b>2,439</b>

### a) 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 Directors is subject to the approval of shareholders 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.

### b) Reconciliation of equity shares outstanding at the beginning and at the end of the year:

	As at March 31, 2022		As at March 31, 2021	
Equity Shares of ₹ 2 each fully paid	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning of the year	12,19,45,977	2,439	12,19,45,977	2,439
Shares issued during the year	10,23,020	20	-	-
<b>Shares at the end of the year</b>	<b>12,29,68,997</b>	<b>2,459</b>	<b>12,19,45,977</b>	<b>2,439</b>

During the year the Company has issued and allotted 10,23,020 Equity Shares of face value of ₹ 2/- each ("Equity Shares") at a price of ₹ 97.75/- per Equity Share at a premium of ₹ 95.75/- per Equity Share, aggregating up to ₹ 1,000 lakhs.

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

## c) Details of shareholders holding more than 5% of the aggregate shares in the Company:

(₹ In Lakhs)

Name of Share holder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity Shares of ₹ 2 each fully paid held by				
Allcargo Logistics Limited	5,81,68,975	47.30%	5,71,45,955	46.86%
Mr. Mukul Mahavir Agrawal	63,01,596	5.12%	63,01,596	5.17%
<b>Total</b>	<b>6,44,70,571</b>	<b>52.43%</b>	<b>6,34,47,551</b>	<b>52.03%</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.

## f) Details of shareholdings by the Promoter's

(₹ In Lakhs)

Sl. No.	Name of the Promoter	As at March 31, 2022		As at March 31, 2021		
		Number of Shares	% of Shareholding	Number of Shares	% of Shareholding	% Change during the Year
1	Allcargo Logistics Limited (effective from 08-04-2020)	5,81,68,975	47.30	5,71,45,955	46.86	2%
2	Neera And Children Trust	23,15,889	1.88	23,15,889	1.90	-
3	Mahendra Kumar Agarwal	15,45,735	1.26	15,74,935	1.29	-2%
4	Tci Finance Limited	5,79,998	0.47	10,03,250	0.82	-42%
5	Mahendra Kumar Agarwal & Sons HUF	5,46,083	0.44	5,46,083	0.45	-
6	Bunny Investments & Finance Private Limited	40,000	0.03	2,73,126	0.22	-85%
7	Mahendra Investment Advisors Private Limited	1,51,577	0.12	1,51,577	0.12	-
8	Jubilee Commercial & Trading Private Limited	1,49,823	0.12	1,49,823	0.12	-
9	Dhruv Agarwal Benefit Trust	8,750	0.01	1,08,750	0.09	-92%
10	Manish Agarwal Benefit Trust	24,728	0.02	24,728	0.02	-
	<b>TOTAL</b>	<b>6,35,31,558</b>	<b>51.66</b>	<b>6,32,94,116</b>	<b>51.90</b>	

## 19. Other Equity

(₹ In Lakhs)

	As at March 31, 2022	As at March 31, 2021
a) Securities Premium	35,067	34,100
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)	56	-
f) Special Reserve	14,707	14,707
g) Retained Earning	(11,572)	(12,254)
h) Money received against share warrants	1,750	-
<b>Total Other Equity</b>	<b>53,526</b>	<b>50,071</b>

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

**A 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**: This reserve is the retained earnings of the company, which are kept aside out of the group profit to meet future (known or unknown) obligations.
- 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 will be utilized in accordance with the provisions of Section 115VT of Income tax Act 1961 to comply with the provisions of 'Tonnage Tax Scheme' under Chapter XII-G.
- 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	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Opening Balance</b>	-	-
Add - Received during the year	1,750	-
Less - Converted during the year	-	-
<b>Closing Balance</b>	<b>1,750</b>	-

The shareholders of the Company vide resolution dated 04<sup>th</sup> June 2021 have approved the issue of Convertible Warrants on Preferential basis to the Promoter "Allcargo Logistics Limited ("ACL")" in accordance with Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), as amended, and other applicable laws. Accordingly, the Company had issued 71,61,120 Equity Warrants at a price of ₹ 97.75/- per Equity Warrant with the right to warrant holder to apply for and be allotted 1 (One) Equity Share of the face value of ₹ 2/- each of the Company at a premium of ₹ 95.75/- per equity share for each Equity warrant within a period of 18 (Eighteen) months from the date of allotment of the warrants i.e. June 17, 2021, aggregating up to ₹ 7,000 lakhs. Consequently, after the conversion of the Equity Warrants, the shareholding of the ACL will be 50.20%. The prospective allottees had paid ₹ 1750 lakhs towards 25% value of total consideration payable for the Warrants. In case of non exercise of warrants within the period of 18 months, the same shall stand forfeited and the money received against the same shall not be refunded by the Company.

As at 31<sup>st</sup> March 2022, 71,61,120 Warrants (Previous Year NIL) were pending to be converted into Equity Shares of ₹ 2 /- each. The warrants would be converted into equivalent number of shares on payment of balance amount.

- 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.
- i) **Other Comprehensive Income**  
Equity Instrument through OCI: The company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the equity instruments through OCI shown under the head other equity. The company transfer amounts to retained earnings when the relevant equity securities are derecognised.

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

## 20. Borrowings

(₹ In Lakhs)

	As at March 31, 2022		As at March 31, 2021	
	Non- Current	Current Maturities	Non- Current	Current Maturities
<b>Secured</b>				
Non-convertible debentures ("NCD")	-	-	-	9,107
Term Loan From Banks	750	274	2,145	930
Term Loan From Financial Institutions	-	-	68	173
<b>Sub Total (A)</b>	<b>750</b>	<b>274</b>	<b>2,213</b>	<b>10,210</b>
<b>Unsecured -</b>				
Fixed deposits (From Public)	104	299	407	256
<b>Sub Total (B)</b>	<b>104</b>	<b>299</b>	<b>407</b>	<b>256</b>
<b>Total (A+B)</b>	<b>854</b>	<b>573</b>	<b>2,620</b>	<b>10,466</b>

### Particulars of Nature of security

(₹ In Lakhs)

Bank Name / Note No	ROI	Number of Instalments pending/Type of instalments	Instalment Amount	Starting Date	Outstanding amount
Federal Bank - ECGL loan (Note - A)	7.50%	47/Monthly EMI	23	25-Apr-22	939
Vehicle Loan (Note - B)	8.65% - 9.25%	EMI			85

### Notes: Particulars of Nature of security/Pledge

- A) The collateral being second charge on all primary and collateral securities available for the existing facilities with the bank.
- B) Vehicles are hypothecated against the Vehicle loans from Banks & other financial institutions and last tranche of these loans is repayable by the end of September 2024.

## 21. Lease Liabilities

(₹ In Lakhs)

	As at March 31, 2022		As at March 31, 2021	
	Non- Current	Current	Non- Current	Current
Lease Liabilities (Refer Note 41)	14,005	3,196	6,040	1,137
	<b>14,005</b>	<b>3,196</b>	<b>6,040</b>	<b>1,137</b>

## 22. Other Financial Liabilities

(₹ In Lakhs)

	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	12	24
<b>Total</b>	<b>12</b>	<b>24</b>

## 23. Provisions

(₹ In Lakhs)

	As at March 31, 2022	As at March 31, 2021
Employee Benefits		
Gratuity (Refer Note No.42)	1,172	741
Leave Encashment	369	355
<b>Total</b>	<b>1,541</b>	<b>1,096</b>

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

## 24. Borrowings

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Current maturities of long term borrowings - Term Loans	573	10,466
Secured		
Working Capital facilities from Banks		
- Cash Credit	13,806	14,516
<b>Grand Total</b>	<b>14,379</b>	<b>24,982</b>

Working Capital Borrowings in rupees is secured by book debts and other current assets of the company on pari-passu charge with all working capital lenders under multiple banking arrangement. Weighted average rate of interest is 7.46%.

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 other than those set below for FY 2021-22.

(₹ In Lakhs)						
Quarter	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for difference
Jun-21	1) Axis Bank,		19,327	22,771	3,444	On account of statement filed with the lenders on financial statement prepared on provisional basis and also certain line items grouped under trade receivables are not being considered in the statement.
Sep-21	2) IndusInd Bank,		23,438	28,333	4,895	
Dec-21	3) Bank of Bharain and Kuwait,	Gross Trade Receivables	26,044	27,889	1,845	
Mar-22	4) Federal Bank,		26,959	26,860	(99)	
	5) Standard Chartered Bank					

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 other than those set below for FY 2020-21.

(₹ In Lakhs)						
Quarter	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for difference
Jun-20	1) Axis Bank,		18,510	21,016	2,506	On account of statement filed with the lenders on financial statement prepared on provisional basis and also certain line items grouped under trade receivables are not being considered in the statement.
Sep-20	2) IndusInd Bank,		21,746	24,309	2,563	
Dec-20	3) Bank of Bharain and Kuwait,	Gross Trade Receivables	22,300	24,706	2,406	
Mar-21	4) Federal Bank,		21,443	24,712	3,269	
	5) Standard Chartered Bank					

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

## 25. Trade Payables

(₹ In Lakhs)

	As at March 31, 2022	As at March 31, 2021
<b>For Goods and Services</b>		
Total Outstanding dues of micro and small enterprises (Refer Note 44)	1,570	345
Total Outstanding dues of creditors other than micro and small enterprises (Including acceptances)		
(a) Acceptances	-	128
(b) Others	8,606	8,435
<b>Total</b>	<b>10,176</b>	<b>8,908</b>

### Ageing for trade payables as at 31st March, 2022

(₹ In Lakhs)

	Outstanding for following periods from the date of transaction#					Total
	Unbilled	Less than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
i) Undisputed dues - MSME	-	1,553	17	-	-	1,570
ii) Undisputed dues - Others	2,598	5,005	477	413	113	8,606
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-
	<b>2,598</b>	<b>6,558</b>	<b>494</b>	<b>413</b>	<b>113</b>	<b>10,176</b>

### Ageing for trade payables as at 31st March, 2021

(₹ In Lakhs)

	Outstanding for following periods from the date of transaction#					Total
	Unbilled	Less than 1 Year	1-2 Years	2 - 3 Years	More than 3 Years	
i) Undisputed dues - MSME	-	339	5	1	-	345
ii) Undisputed dues - Others including acceptances	4,466	3,178	655	187	77	8,563
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-
	<b>4,466</b>	<b>3,517</b>	<b>660</b>	<b>188</b>	<b>77</b>	<b>8,908</b>

(#)Ageing is from the date of transaction which is different from the due date.

## 26. Other Financial Liabilities

(₹ In Lakhs)

	As at March 31, 2022	As at March 31, 2021
Security Deposits	3,169	2,868
Interest accrued but not due on Borrowings	17	479
Unpaid dividends	64	86
Employee Related Liabilities	2,120	3,462
Unpaid matured deposits and interest accrued thereon	87	94
Liability towards guarantee invoked	2,360	2,360
Others	4,400	3,107
<b>Total</b>	<b>12,217</b>	<b>12,457</b>

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

## 27. Other Current Liabilities

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Statutory dues	1,610	1,727
Other Advances	843	1,097
<b>Total</b>	<b>2,453</b>	<b>2,824</b>

## 28. Current Tax Liabilities

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Provision for income tax	-	2,257
<b>Total</b>	<b>-</b>	<b>2,257</b>

## 29. Provisions

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits		
Gratuity (Refer Note 42)	301	251
Leave Encashment	228	138
<b>Total</b>	<b>529</b>	<b>389</b>

## 30. Revenue From Operations

	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Sale of Services</b>		
Freight, Ecom, Demurrage and Miscellaneous services	1,25,689	1,06,136
<b>Sale of Products</b>		
Sale of Diesel, Petrol and Lubricants & Others	22,785	24,976
<b>Total (A)</b>	<b>1,48,474</b>	<b>1,31,112</b>
<b>Other Operating Revenue</b>		
Other Recoveries	520	312
<b>Total (B)</b>	<b>520</b>	<b>312</b>
<b>Grand total (A+B)</b>	<b>1,48,994</b>	<b>1,31,424</b>

### A. Revenue from contracts with customers disaggregated based on revenue stream and by reportable segment

	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Revenue based on product &amp; services</b>		
a) Express Distribution	1,25,647	1,06,084
b) Fuel Stations	22,828	24,480
c) Others	-	548
Other Operating Revenues	520	312
<b>Total</b>	<b>1,48,994</b>	<b>1,31,424</b>



# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

## A. Revenue from contracts with customers disaggregated based on revenue stream and by reportable segment

(₹ In Lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
<b>Revenue based on Geography</b>		
India	1,48,994	1,30,732
Overseas	-	692
	<b>1,48,994</b>	<b>1,31,424</b>
<b>Reconciliation of Revenue from Operation with contract price</b>		
Revenue as per contract price	1,53,299	1,35,729
<b>Less:</b>		
Discounts	(126)	(95)
Credit note	(2,145)	(1,925)
Unsatisfied performance obligation	(2,554)	(2,597)
<b>Revenue from Operations</b>	<b>1,48,474</b>	<b>1,31,112</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, 2022 is ₹ 2,554 lakhs, which is expected to be recognised during next year.

The Company recognizes revenue at a point in time. Contract with customers are of short-term duration and all sales are direct to customers.

## B. Contract Balances

(₹ In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Contract Assets</b>	<b>655</b>	<b>238</b>
Trade Receivables	29,068	23,821
Less: Impairment allowances	5,835	4,275
<b>Total</b>	<b>23,233</b>	<b>19,546</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.

## 31. Other Income

(₹ In Lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
<b>Interest income on</b>		
Deposit with Bank and Others	40	159
Refund of Income tax	275	309
<b>Other Non Operating Income</b>		
Rental Income	135	172
Net Foreign Exchange Gain	2	-
Net Gain on sale of investments	1	111
Liabilities no longer required - written back	1,014	126
Gain on Sale of Mutual Funds	12	80

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Net Gain on Investments measured at FVTPL	7	-
Unwinding of other financial assests	17	-
Miscellaneous Income	27	84
<b>Total</b>	<b>1,530</b>	<b>1,041</b>

## 32. Operating Expenses

	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Freight	83,432	60,612
Fleet Running Expenses	644	2,100
Vehicle's trip expenses	2,161	4,762
Handling Charges	2,390	1,791
Tyres and Tubes	40	71
Supply Chain Management services	2,864	3,318
Claims for Loss & Damages (Net)	230	749
Vehicle's taxes	32	50
Vehicle's and ships Insurance	26	65
Power, Fuel and Water Expenses	38	109
Stores and Spare Parts Consumed	22	93
Other Operating Expenses	817	969
<b>Total</b>	<b>92,696</b>	<b>74,689</b>

## 33 Changes in Inventories of Stock-in-Trade

	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Opening Stock :</b>		
Stock-in-trade (Allowances as on April 01, 2021 - ₹ 14 lakhs)	389	947
	<b>389</b>	<b>947</b>
Less: Purchase returns	-	(223)
<b>Less: Closing Stock</b>		
Stock-in-trade (Allowances as on March 31, 2022 - ₹ 57 lakhs, (previous year - ₹ 14 lakhs))	336	389
	<b>336</b>	<b>612</b>
<b>(Increase) / Decrease in Inventories of Stock-in-trade</b>	<b>53</b>	<b>335</b>

Notes :

- 1) Consumption of stores and spares in a subsidiary "Gati Kausar India Limited", has been considered in other expenses.
- 2) Balances of inventories of stock-in-trade is on gross basis .

## 34. Employee Benefit Expense

	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, Wages & Bonus	14,271	15,062
Contribution to Provident fund and other funds	1,041	960
Expenses related to Share based payment schemes	34	1
Staff Welfare Expenses	459	268
<b>Total</b>	<b>15,805</b>	<b>16,291</b>

Note - Refer note 54 on excess managerial remuneration paid during the previous financial year.

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

## 35. Finance Costs

	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Interest Expense on</b>		
Term Loans and Working Capital facilities	1,673	3,455
Public Deposits	54	104
Lease Obligation	985	910
Others borrowing cost	20	45
<b>Total</b>	<b>2,732</b>	<b>4,514</b>

## 36. Depreciation and amortisation expense

	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on Property Plant & Equipment (Refer Note 3A)	1,337	2,529
Depreciation on Right of use Asset (Refer Note 3B)	1,981	1,320
Amortisation of Intangible Assets (Refer Note 5)	174	164
<b>Total</b>	<b>3,492</b>	<b>4,013</b>

## 37. Other Expenses

	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Lease Rental (Refer Note 41)	4,208	4,795
Rates and Taxes	317	482
Insurance	184	184
Telephone expenses	38	105
Printing and Stationery	292	225
Travelling expenses	296	198
Professional and Consultancy Charges	1,512	1,091
Advertisement Expenses	135	76
Electricity	766	769
Office maintenance	1,708	1,462
Bank Collection charges	7	25
Director Sitting fees	12	26
Corporate Social Responsibility Expenditure ( Refer Note 37.1)	12	77
Payment to Auditors (Refer Note 37.2)	51	62
Allowance for Doubtful Receivables	1,731	1,158
Bad debts and irrevocable balances written off	112	393
Less: Provision for loss allowances recognised in earlier years	(62)	(291)
Bad debts written off-Others	51	-
Provision on Stock-in-Trade	42	14
Management Fee	568	279
Impairment loss on Property, Plant and Equipment	5	-
Allowance for other financial assets	13	-
Allowance for capital advance	14	-

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
IT Network Expenses	500	512
Net Foreign Exchange loss	-	9
Repairs and Maintenance	1,091	697
Loss on Sale of Fixed Assets (Net)	238	28
Loss on Sale of Assets classified as held for sale	78	-
Gain/loss on lease modification	47	-
Miscellaneous expenses	873	880
<b>Total</b>	<b>14,839</b>	<b>13,475</b>

## 37.1 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 ₹12 lakhs (previous year ₹77 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

### (d) Amount spent during the year on:

	(₹ In Lakhs)	
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(i) Construction/acquisition of any asset	-	-
(ii) 'On purpose other than (i) above	12	77
<b>Total</b>	<b>12</b>	<b>77</b>

### (e) Unspent Amount:

Particulars	(₹ In Lakhs)
<b>Opening Balance as on April 01, 2021</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 on March 31, 2022</b>	<b>-</b>

In accordance with the amendments with respect to the provisions of Corporate Social Responsibility ("CSR") provided under Section 135 of the Companies Act, 2013 with effect from January 22, 2021, the Board of the group has decided to continue as per the previous accounting practices adopted related to unspent CSR amount and not to carry forward for future years.

## 37.2 Payment to Auditors (Excluding Goods and Services Tax)

	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Statutory Audit fees	27	42
Taxation Matters	-	-
Other Matters	24	20
<b>Total</b>	<b>51</b>	<b>62</b>

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

## 38. Exceptional Items

	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Loss On Asset Held for Sale Classification	1,317	15,347
Loss on Sale of Property, plant & Equipment (Net)	-	1,756
Provision towards advance	-	2,256
Loss/(gain) on Sale of Investments	(5)	1,127
Severance payment on disposal of Investment in Gati Kausar India Limited	1,305	-
Impairment allowance on Property, plant & Equipment	523	-
Profit on disposal of Assets classified as held for sale	(15)	-
GST provision expenses related to Exempt GTA services	1,683	-
Gain on loss of control in GKIL	(6,013)	-
<b>Total</b>	<b>(1,205)</b>	<b>20,486</b>

The Exceptional items (non-recurring) of ₹ 1,205 lakhs pertaining to current financial year represents;

- Gati limited has transferred its 69.79% of equity holding in GATI Kausar India limited to Mandala Capital AG Limited for the sale consideration of ₹ 5 lakhs, pursuant to this transfer, Gati Kausar India Limited (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 ₹ 1305 lakhs was also paid from Gati limited to "Gati Kausar India Limited (GKIL)" as per the terms of share purchase agreement.
- Diminution amounting to ₹ 1,302 lakhs in the present realisable value of the assets sold during the year and proposed to be sold which is disclosed as "Assets classified as held for sale".
- GST related expense provision provided in the current year, pertaining to earlier years based on a prudent management estimate of ₹1683 lakhs. Out of the above the company has paid ₹494 lakhs.
- Impairment allowance of ₹ 523 lakhs has been provided in books on account of diminution in the fair value of immovable property.

## 39. Tax Expenses

	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Income Tax recognised in Statement of Profit and Loss		
Current Tax	231	-
Deferred Tax	(242)	(1,718)
Income Tax for earlier years	404	1,054
<b>Total</b>	<b>393</b>	<b>(664)</b>

### 39.1 Reconciliation of Income Tax expense for the year with book profits

	(₹ In Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Profit/(Loss) before Tax (After Exceptional Items)	(50)	(25,257)
Applicable Tax Rate	34.94%	34.94%
Tax Expense	(17)	(8,826)
<b>Tax Effect of :</b>		
Expenses non-deductible for tax purposes	3,153	7,886
Exempted income & Expenses allowable for tax purposes	(1,394)	(1,484)
Other differences (Including effect of non recognition of Deferred Tax Asset)	(1,600)	(441)
Difference in tax rates of subsidiary companies	(153)	1,147
Tax Expense in Statement of Profit and Loss	(11)	(1,718)
<b>Effective Tax Rate*</b>	<b>21%</b>	<b>7%</b>

\* Excludes effect of adjustment of ₹ 404 Lakhs on account of tax related to earlier year (Previous year ₹ 1054 Lakhs)

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

- i) Under section 115BBA 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. However, the flagship subsidiary, GKEPL has opted to exercise the option permitted under this section in earlier years and has taken 25.168% rate of corporate tax in its accounts.

## 40. Contingent liabilities, Contingent Assets and commitments

### (I) Contingent Liabilities

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>(a) Claim against the Company not acknowledged as debt (to the extent not provided)</b>		
(i) Income tax Demand disputed in appeals (includes amount paid under protest and adjustments of ₹ 2,361 lakhs, previous year - ₹1,991 lakhs)	5,828	5,617
(ii) Indirect Tax demand disputed in appeals (Includes amount paid under protest ₹ 11 Lakhs, previous year - ₹ 11 Lakhs)#	4,748	4,748
(iii) Others	586	501
<b>Total</b>	<b>11,162</b>	<b>10,866</b>

- (i) Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable group only on receipt of judgments / decisions pending with various forums / authorities.
- (ii) 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 Consolidated financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its Group's financial position. Also, the Group does not expect any reimbursement in respect of the above contingent liabilities.
- (#) 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 ₹ 825 lakhs pertaining to exceptional item of GST related expense provision has not been provided in books.

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
(b) Bank Guarantee (*)	421	369

- (\*) Bank Guarantee is issued to meet certain business obligations towards govt 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. During the current 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) Code on Social Security, 2020 ('Code') relating to employee benefits during employment and postemployment has been notified in the official Gazette on September 29, 2020 and its effective date is yet to be notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the year the Code becomes effective.

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

## (II) Commitments

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Commitments for Acquisition of Property, Plant and Equipment & Intangible Assets (Net of Advance)		
Towards Property plant & Equipment	850	20
Towards intangible Assets	-	16
	<b>850</b>	<b>36</b>

## (III) Contingent Assets

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Additional consideration on the disposal of investment in Brown Tape Technology Pvt Ltd*	56	56
	<b>56</b>	<b>56</b>

(\*) In respect of the disposal of investment in Brown Tape Technology Pvt Ltd during the preceding financial year, additional consideration will be payable to the Group if the future performance of Brown Tape Technology reaches to a specified revenue level. Recognition of additional consideration which is not virtually certain, is dependent on the aggregate specified revenue of Brown Tape Technology for the 18-months period ending July 2022.

## 41. Leases:

(a) 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.

### (b) Movement in lease liabilities during the year ended March 31, 2022

Particulars	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Lease liabilities at the beginning of the year</b>	7,177	7,917
Additions	12,814	456
Interest cost accrued during the year	985	910
Payment of lease liabilities	(2,661)	(1,903)
Deletion	(44)	(203)
Adjustment on loss of control in GATI Kausar India limited	(1,070)	-
<b>Lease liabilities at the end of the year</b>	<b>17,201</b>	<b>7,177</b>

### (c) Amount recognized in Profit or Loss

Particulars	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Interest expense on lease liabilities	985	910
Depreciation expense of right-of-use assets	1,981	1,320
Expense relating to short term leases (included in other expenses and Operating expenses)	5,067	6,355

### (d) Amounts recognised in the statement of cash flow

Particulars	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Total cash outflow for leases	2,670	1896

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

## (e) Future payment of lease liabilities on an undiscounted basis

Particulars	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Not later than one year	3,897	1,949
Later than one year but not later than five years	10,241	5,593
Later than five years	11,875	3,525
<b>Total</b>	<b>26,013</b>	<b>11,067</b>
Current lease liabilities	3,196	1,137
Non-current lease liabilities	14,005	6,040
<b>Total Lease liabilities</b>	<b>17,201</b>	<b>7,177</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

## 42. Disclosure as required under Ind AS 19 on Employee Benefits:

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Statement of Assets and Liabilities for defined benefit obligation		
Defined benefit asset - Gratuity Plan	198	540
Defined benefit obligation - Gratuity Plan	(1,671)	(1,438)
<b>Total employee benefit (Liabilities)/Assets</b>	<b>(1,473)</b>	<b>(898)</b>

### Defined contribution

The expense for defined contribution plans amounted to ₹ 812 lakhs and ₹ 960 lakhs for the year ended March 31, 2022 and March 31, 2021 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 ₹ 504 lakhs to Gratuity Fund in the next year.

### 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 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.

The following tables analyse present value of defined benefit obligations, expense recognised in Consolidated Statement of Profit and Loss, actuarial assumptions and other information.



# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

## Reconciliation of the net defined benefit (asset)/ liability:

(₹ In Lakhs)

	As at March 31, 2022	As at March 31, 2021
<b>(I) Reconciliation of present value of defined benefit obligation</b>		
(a) Balance at the beginning of the year	1,438	1,269
(b) Current service cost	142	145
(c) Interest cost	69	75
(d) Benefits paid	(374)	(304)
(e) Benefit payments directly by employer	(1)	-
(f) Actuarial (gains)/ losses recognised in other comprehensive income		
change in demographic assumptions	(15)	72
change in financial assumptions	28	120
experience adjustments	408	61
<b>Balance at the end of the year before adjustment</b>	<b>1,695</b>	<b>1,438</b>
Less- Adjustment on loss of control in GATI Kausar India limited	(24)	-
<b>Balance at the end of the year</b>	<b>1,671</b>	<b>1,438</b>
<b>(II) Reconciliation of present value of plan assets</b>		
(a) Balance at the beginning of the year	540	711
(b) Actual return on plan assets	30	31
(c) Investment Income	(4)	9
(d) Contributions by the employer	6	90
(e) Benefits paid	(374)	(301)
<b>Balance at the end of the year</b>	<b>198</b>	<b>540</b>
<b>(III) Net asset/ (liability) recognised in the Balance Sheet</b>		
(a) Present value of defined benefit obligation	(1,671)	(1,438)
(b) Fair value of plan assets	198	540
<b>Net defined benefit obligations in the Balance Sheet (Includes Net Asset CY -Nil, PY - ₹ 94 lakhs)</b>	<b>(1,473)</b>	<b>(898)</b>
<b>(IV) Expense recognised in Statement of Profit or Loss</b>		
(a) Current service cost	142	145
(b) Interest income (net)	39	29
<b>Amount charged to Profit or Loss</b>	<b>181</b>	<b>174</b>
<b>(V) Remeasurements recognised in Other Comprehensive Income</b>		
(a) Actuarial gain / (loss) on defined benefit obligation	(421)	(252)
(b) Return on plan asset excluding interest income	(4)	(6)
<b>Amount recognised in Other Comprehensive Income</b>	<b>(425)</b>	<b>(258)</b>
<b>(VI) Plan assets</b>		
Plan assets comprise of the following:		
(a) Investments with LIC	100%	100%
<b>(VII) Actuarial assumptions</b>		
Principal actuarial assumptions at the reporting date (expressed as weighted averages)		
(a) Discount rate	5.77%	5.58%
(b) Future salary growth	8% first two year; 6% thereafter	6.0%
(c) Retirement age (years)	58	58
(d) Withdrawal rates	30%	25%
(e) Mortality rate (% of IALM 2012-14)	100%	100%

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

## (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:

(₹ In Lakhs)

	As at March 31, 2022		As at March 31, 2021	
	Increase	Decrease	Increase	Decrease
(a) Discount rate (1% movement)	(41)	46	(44)	48
(b) Future salary growth (1% movement)	43	(40)	47	(43)
(c) Withdrawal assumption (1% movement)	(2)	3	(3)	4

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.

(₹ In Lakhs)

Expected cash flows over the next (Valued on undiscounted cash flows)	As at	As at
	March 31, 2022	March 31, 2021
1 year	504	364
2 to 5 years	1,057	879
6 to 10 years	344	384
More than 10 years	69	126

## 43. 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.

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.

Summary of Segment Information for the year ended March 31, 2022 and March 31, 2021 is as follows:

1. Segment Revenue (Net Sales / Income from each Segment)	Year Ended March 31, 2022	Year Ended March 31, 2021
a) Express Distribution & Supply Chain	1,26,166	1,06,419
b) Fuel Sales	22,828	24,480
c) Other Sales	-	548
<b>Total</b>	<b>1,48,994</b>	<b>1,31,447</b>
Less: Inter Segment Revenue	-	(23)
Net Sales / Income from Operations	<b>1,48,994</b>	1,31,424

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)	Year Ended March 31, 2022	Year Ended March 31, 2021
a) Express Distribution & Supply Chain	1,175	(629)
Less: Exceptional Items	1,205	(20,248)
<b>Total (a)</b>	<b>2,380</b>	<b>(20,877)</b>
b) Fuel Sales	302	586
Less: Exceptional Items	-	-
<b>Total (b)</b>	<b>302</b>	<b>586</b>
c) Other Sales	-	(215)
Less: Exceptional Items	-	(238)
<b>Total (c)</b>	<b>-</b>	<b>(453)</b>
<b>Total (a+b+c)</b>	<b>2,682</b>	<b>(20,744)</b>
Less: Finance Cost	(2,732)	(4,513)
<b>Profit/ (Loss) before tax</b>	<b>(50)</b>	<b>(25,257)</b>
Less: Tax Expenses	393	(664)
<b>Profit after Tax as per statement of profit and loss</b>	<b>(443)</b>	<b>(24,593)</b>

3. Segment Assets and Liabilities	As at March 31, 2022	As at March 31, 2021
<b>Segment Assets</b>		
a) Express Distribution & Supply Chain	97,457	94,059
b) Fuel Stations	1,278	1,540
c) Others	-	512
d) Unallocated	24,298	27,604
<b>Total Assets</b>	<b>1,23,033</b>	<b>1,23,715</b>
<b>Segment Liabilities</b>		
a) Express Distribution & Supply Chain	24,346	20,383
b) Fuel Stations	42	64
c) Others	-	208
d) Unallocated	34,974	42,078
<b>Total Liabilities</b>	<b>59,362</b>	<b>62,733</b>
<b>Capital Employed</b>	<b>63,671</b>	<b>60,982</b>

4. Depreciation and amortization expense	Year ended March 31, 2022	Year ended March 31, 2021
a) Express Distribution & Supply Chain	3,481	3,999
b) Fuel Stations	11	12
c) Others	-	2
<b>Total</b>	<b>3,492</b>	<b>4,013</b>

5. Significant non - cash Expenditure	Year ended March 31, 2022	Year ended March 31, 2021
a) Express Distribution & Supply Chain	664	21,668
b) Fuel Sales	5	-
c) Other Sales	-	310
<b>Total</b>	<b>669</b>	<b>21,978</b>

6. Capital Expenditure	Year ended March 31, 2022	Year ended March 31, 2021
a) Express Distribution & Supply Chain	875	863
b) Fuel Sales	1	0
c) Other Sales	-	-
<b>Total</b>	<b>876</b>	<b>863</b>

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

## C. Geographical information

### 1. Revenue from External Customers

	Year ended March 31, 2022	Year ended March 31, 2021
a) India	1,48,994	1,30,732
b) International	-	692
<b>Total</b>	<b>1,48,994</b>	<b>1,31,424</b>

### 2. Segment Non Current assets \*

	As at March 31, 2022	As at March 31, 2021
a) India	68,370	65,612
b) International	-	-
<b>Total Assets</b>	<b>68,370</b>	<b>65,612</b>

\* Non current asset are Excluding Investment, Non current tax assets, Deferred Tax asset.

## 44. Due to Micro enterprises and small enterprises

(₹ In Lakhs)

	As at March 31, 2022	As at March 31, 2021
(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>	1560 10 <b>1,570</b>	345 - <b>345</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.

45. The Board of Directors of the company have not recommended any dividend for the current financial year with an objective to conserve cash.

## 46. Financial instruments - fair values and risk management

### A. Accounting classification and fair values

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.

(₹ In Lakhs)

	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>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>

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

(₹ In Lakhs)

	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 not measured at fair value</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>27,693</b>	-	<b>27,693</b>	-	-	-	-
<b>Financial liabilities not measured at fair value</b>									
Borrowing	-	-	-	15,233	15,233	-	-	-	-
Lease liabilities	-	-	-	17,201	17,201	-	-	-	-
Trade payables	-	-	-	10,176	10,176	-	-	-	-
Other financial liabilities	-	-	-	12,229	12,229	-	-	-	-
	-	-	-	<b>54,839</b>	<b>54,839</b>	-	-	-	-

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2021, including their levels in the fair value hierarchy.

(₹ In Lakhs)

	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 equity instruments	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Financial assets not measured at fair value</b>									
Other financial assets	-	-	2,815	-	2,815	-	-	-	-
Trade receivables	-	-	19,546	-	19,546	-	-	-	-
Cash and cash equivalents	-	-	4,247	-	4,247	-	-	-	-
Other bank balances	-	-	1,381	-	1,381	-	-	-	-
	-	-	<b>27,990</b>	-	<b>27,990</b>	-	-	-	-
<b>Financial liabilities not measured at fair value</b>									
Borrowing	-	-	-	27,601	27,601	-	-	-	-
Lease Liabilities	-	-	-	7,177	7,177	-	-	-	-
Trade Payables	-	-	-	8,908	8,908	-	-	-	-
Other financial liabilities	-	-	-	12,481	12,481	-	-	-	-
	-	-	-	<b>56,167</b>	<b>56,167</b>	-	-	-	-

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

## 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	(₹ In Lakhs)	
	Fair values	Equity instruments
<b>Balance at March 31, 2020</b>		7,782
Current Investments during the year		-
Net Gain on Investments measured at FVTPL		80
Equity investments through other comprehensive income		-
Sale proceeds Non current Investments		(7,862)
<b>Balance at March 31, 2021</b>		-
<b>Balance at March 31, 2021</b>		-
Current Investments during the year		5,399
Net Gain on investments measured at FVTPL		7
Equity Investments through other comprehensive income		-
Sale proceeds Non current Investments		(4,395)
<b>Balance at March 31, 2022</b>		<b>1,011</b>

## 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

### 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.

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

(a) **Trade receivables, loans and advances**

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 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	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Trade Receivables (Gross)	29,068	23,821
Less: Expected Credit Loss	5,835	4,275
<b>Trade Receivables (Net)</b>	<b>23,233</b>	<b>19,546</b>

(₹ In Lakhs)	
Reconciliation of Loss Allowance (Trade Receivables)	Amount
Loss Allowance in March 31, 2020	3,370
Change in Loss allowance	905
Loss Allowance in March 31, 2021	4,275
Change in Loss allowance	1,560
<b>Loss Allowance in March 31, 2022</b>	<b>5,835</b>

The movement of Advances and Expected Credit Loss are as follows :

Particulars	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Other Advances Receivables (Gross)	2,483	2,505
Less: Expected Credit Loss	2,321	2,319
<b>Loans and advances (Net)</b>	<b>162</b>	<b>186</b>

(₹ In Lakhs)	
Reconciliation of Loss Allowance on Advances	Amount
Loss Allowance in March 31, 2020	60
Change in Loss allowance	2,259
Loss Allowance in March 31, 2021	2,319
Change in Loss allowance	2
<b>Loss Allowance in March 31, 2022</b>	<b>2,321</b>

- (b) Security deposits given: The Group 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.

(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.

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

(₹ In Lakhs)

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	-
Lease liabilities	17,201	26,013	3,897	10,241	11,875
Trade payables	10,176	10,176	10,176	-	-
Other financial liabilities	54,839	54,839	54,839	-	-
	<b>97,449</b>	<b>1,06,261</b>	<b>83,291</b>	<b>11,096</b>	<b>11,875</b>

(₹ In Lakhs)

March 31, 2021	Contractual cash flows				
	Carrying amount	Total	Less than 1 year	1 to 5 years	More than 5 years
Borrowings	27,601	27,601	24,982	2,619	-
Lease liabilities	7,177	11,067	1,949	5,593	3,525
Trade payables	8,908	8,908	8,908	-	-
Other financial liabilities	12,481	12,481	12,481	-	-
	<b>56,167</b>	<b>60,057</b>	<b>48,320</b>	<b>8,212</b>	<b>3,525</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.

**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 ₹53 Lakhs (Previous year ₹ 24 Lakhs) and ₹ 29 Lakhs (Previous Year ₹ 59 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:

(₹ In Lakhs)

	As at March 31, 2022	As at March 31, 2021
<b>Fixed rate instruments</b>		
Financial assets	-	-
<b>Financial liabilities</b>		
Non-Convertible Debentures ("NCD"), Secured	-	9,107
Term Loan From Banks	1,010	2,024
Term Loan From Financial Institutions	14	94
Deposits from Public	404	663
Lease liability	17,201	7,177
	<b>18,629</b>	<b>19,065</b>



# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Variable rate instruments</b>		
Financial assets	-	-
<b>Financial liabilities</b>		
Term Loan From Banks	-	1,198
Cash Credit	13,806	14,516
	<b>13,806</b>	<b>15,713</b>
<b>Total</b>	<b>32,435</b>	<b>34,778</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:

	(₹ In Lakhs)			
Particulars	Effect on Profit before tax		Effect on total equity	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Variable rate instruments - decrease by 100 basis points	138	157	138	157
Variable rate instruments - increase by 100 basis points	(138)	(157)	(138)	(157)

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.

## 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.

	(₹ In Lakhs)			
Particulars	Effect on Profit before tax		Effect on total equity	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
NSE Nifty 50 - increase by 10% (March 31, 2021: 10%)	101	-	101	-
NSE Nifty 50 - decrease by 10% (March 31, 2021: 10%)	(101)	-	(101)	-

## 47. 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.

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

The Group monitors capital on the basis of the following gearing ratio.

Particulars	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Borrowings (Including Current maturities of Long term Borrowings)	15,233	27,601
<b>Less:-</b>		
Cash and cash equivalents	(1,581)	(4,247)
Bank Balances other than cash and cash equivalents	(237)	(1,381)
Investments	-	-
<b>Net debt</b>	<b>13,415</b>	<b>21,972</b>
Equity	55,985	52,510
Gearing ratio	0.24	0.42

## 48. EARNINGS PER SHARE

Particulars	(₹ In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Profit/(Loss) for the year	(443)	(22,788)
Weighted average number of shares outstanding (Nos.)	12,27,53,182	12,19,45,977
Diluted average number of shares outstanding (Nos.)	12,55,29,164	12,19,45,977
Basic Earnings Per Share (In ₹)	(0.36)	(18.69)
Diluted Earnings Per Share (In ₹)	(0.36)	(18.69)
Nominal value of shares outstanding (In ₹)	2	2

## 49 Related party disclosures- On consolidated Basis

### A. Names of related parties and related party relationship

i) <b>Holding Company</b>	1. Allcargo Logistics limited	
ii) <b>List of Key managerial personnel</b>	1. Mr Shashi Kiran Shetty	- Chairman and Managing Director
	2. Mr Mahendra Agarwal	- Founder & CEO (Resigned w.e.f. September 28, 2020)
	3. Mr N Srinivasan	- Director (Resigned w.e.f. January 01, 2021)
	4. Mr P N Shukla	- Director (ceased w.e.f August 03, 2021)
	5. Mr Yasuhiro Kaneda	- Director
	6. Mr Kaiwan Kalayaniwalla	- Director
	7. Ms Cynthia D'Souza	- Director
	8. Mr Dinesh Kumar Lal	- Director
	9. Mr Mohinder Pal Bansal	- Director (Resigned w.e.f. March 04, 2021)
	10. Mr Nilesh Shivji Vikamsey	- Director
	11. Ms Savita Date Menon	- Director (Resigned w.e.f. October 12, 2020)
	12. Mr K L Chugh	- Chairman (Resigned w.e.f. July 24, 2020)
	13. Dr P S Reddy	- Director (Resigned w.e.f. July 08, 2020)
	14. Ms. T S Maharani	- Company Secretary & Compliance Officer
	15. Mr. Rohan Mittal	- Chief Financial Officer (Resigned w.e.f. November 12, 2021)
	16. Mr. Adarsh Hegde	- Chairman & Managing Director of Subsidiary
	17. Mr. Adarsh Hegde	- Director (Appointed w.e.f. July 03, 2020 & Resigned w.e.f. October 05, 2020)
	18. Mr. Bala Subramanian Aghoramurthy	- Deputy Managing Director of Subsidiary (Resigned w.e.f. August 11, 2021)
	19. Mr. Anish T Mathew	- Chief Financial Officer (Appointed w.e.f. February 04, 2022)
	20. Mr. Pirojshaw Sarkari (Phil)	- Appointed as a Chief Executive Officer of the Company w.e.f. August 09, 2021.

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

- iii) **Entities in which Key Managerial Personnel & their relatives able to exercise significant influence (SI)**
1. TCI Hi-ways Pvt. Ltd.(\*)
  2. Gati Academy (\*)
  3. Jaldi Traders & Commerce House Pvt. Ltd.(\*)
  4. P D Agarwal Foundation (\*)
  5. Giri Roadlines and Commercial Trading Pvt Ltd (\*)
  6. M/s Maneksha & Sethna
  - "7. Solaflex Solar Energy Private Limited (\*)"
  8. Mandala Agribusiness Investments II Ltd (Related Party of Subsidiary) (#)
  9. TCI Telenet Solutions Pvt Ltd (\*)
  10. Kintentsu World Express (India) Pvt Limited (Related Party of Subsidiary)
  11. ABC India Ltd (\*)
  12. Talentos (India) (P) Ltd.
- iv) **Fellow Subsidiaries**
1. Gali Asia Pacific Pte Ltd. \*\*
  2. Gati Hong Kong Ltd \*\*
  3. Gati Cargo Express (Shanghai) Co. Ltd. \*\*
  4. Allcargo Inland Park Private Limited
  5. Comptech Solutions Private Limited
  6. Avvashya CCI Logistics Private Limited
- v) **Associate**
1. Gati Ship Ltd.

(\*) Ceased to qualify as a related party with effect from September 28, 2020

(\*\*) Ceased to be Subsidiary with effect from August 16, 2020 and became fellow subsidiary to Allcargo logistics Limited

(#) Ceased to qualify as a related party with effect from July 14, 2021 due to disinvestment in GKIL

## B. Summary of the transactions with related parties for the year ended 31st March 2022:

(₹ In Lakhs)

SL. No.	Nature of Transaction	Key Managerial Personnel (KMP) & Relatives		Entities in which KMP & their relatives able to exercise Significant Influence & Fellow Subsidiaries		Holding Company		Total	
		FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
		<b>a) EXPENDITURE</b>							
	<b>Rent</b>								
	Giri Roadlines & Commercial Trading Pvt Ltd	-	-	-	32	-	-	-	32
	Jaldi Traders & commerce house Pvt Ltd	-	-	-	75	-	-	-	75
	P.D. Agarwal Foundation	-	-	-	25	-	-	-	25
	TCI Telenet Solutions Pvt Ltd	-	-	-	16	-	-	-	16
	Allcargo Logistics limited	-	-	-	-	5	15	5	15
	Allcargo Inland Park Private Limited	-	-	120	-	-	-	120	-
	Avvashya CCI Logistics Private Limited	-	-	101	-	-	-	101	-
	Kintentsu World Express (India) Pvt Limited	-	-	13	-	-	-	13	-
	Comptech Solutions Private Limited	-	-	12	-	-	-	12	-
	Talentos ( India) Pvt Ltd	-	-	34	-	-	-	34	-
	ABC India Limited	-	-	-	1	-	-	-	1

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

(₹ In Lakhs)

SL. No.	Nature of Transaction	Key Managerial Personnel (KMP) & Relatives		Entities in which KMP & their relatives able to exercise Significant Influence & Fellow Subsidiaries		Holding Company		Total	
		FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
	<b>Freight Expenses</b>								
	Allcargo Logistics Limited	-	-	-	-	-	2	-	2
	<b>Interest Expenses</b>								
	Mandala Agribusiness Investments II Ltd	-	-	-	345	-	-	-	345
	Allcargo Logistics Limited	-	-	-	-	4	86	4	86
	<b>Premium on redemption of debenture</b>								
	Mandala Agribusiness Investments II Ltd	-	-	-	722	-	-	-	722
	<b>Other expenses</b>								
	Avvashya CCI Logistics Private Limited	-	-	1	-	-	-	1	-
	Solaflex Solar Energy Private Limited	-	-	-	16	-	-	-	16
	<b>Remuneration</b>								
	Mr. Mahendra Agarwal	-	152	-	-	-	-	-	152
	Mr. Bala Aghoramurthy	122	393	-	-	-	-	122	393
	Mr. Adarsh Hedge	150	87	-	-	-	-	150	87
	Mr. Rohan Mittal	171	43	-	-	-	-	171	43
	Ms. T S Maharani	42	27	-	-	-	-	42	27
	Mr. Pirojshaw A Sarkari	116	-	-	-	-	-	116	-
	Mr Anish T Mathew	16	-	-	-	-	-	16	-
	<b>Manpower Expenses</b>								
	Gati Academy	-	-	-	295	-	-	-	295
	<b>Management Fees</b>								
	Avvashya CCI Logistics Private Limited	-	-	112	-	-	-	112	-
	Allcargo Logistics limited	-	-	-	-	323	129	323	129
	<b>Legal and Professional Expenses</b>								
	M/s Maneksha & Sethna	-	-	28	5	-	-	28	5
	<b>Directors Sitting Fee</b>								
	Mr. K L Chugh	-	1	-	-	-	-	-	1
	Mr. N Srinivasan	-	3	-	-	-	-	-	3
	Mr. P N Shukla	1	3	-	-	-	-	1	3
	Dr. P S Reddy	-	0	-	-	-	-	-	0
	Ms. Savita Date Menon	-	2	-	-	-	-	-	2
	Mr. Mohinder Pal Bansal	-	3	-	-	-	-	-	3
	Ms. Cynthia D'Souza	2	3	-	-	-	-	2	3
	Mr. Dinesh Kumar Lal	3	3	-	-	-	-	3	3
	Mr. Nilesh Shivji Vikamsey	3	1	-	-	-	-	3	1

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

SL. No.	Nature of Transaction	Key Managerial Personnel & Relatives		Entities in which Significant influence exists		Holding, Subsidiaries, step down Subsidiaries & Fellow Subsidiaries		Total	
		FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
<b>b)</b>	<b>INCOME</b>								
	<b>Freight</b>								
	Kintentsu World Express (India) Pvt Limited	-	-	843	656	-	-	843	656
	Gati Cargo Express (Shanghai) Co. Ltd.	-	-	108	24	-	-	108	24
	Allcargo Logistics Park Private Limited	-	-	0	-	-	-	0	-
	Avvashya CCI Logistics Private Limited	-	-	15	-	-	-	15	-
	Allcargo Logistics limited	-	-	-	-	9	4	9	4
	<b>Warehouse Income</b>								
	Gati Academy	-	-	-	2	-	-	-	2
	TCI Hi-Ways Pvt Ltd	-	-	-	2	-	-	-	2
	Avvashya CCI Logistics Private Limited	-	-	3	-	-	-	3	-
	Kintentsu World Express (India) Pvt Limited	-	-	6	166	-	-	6	166
	Gati Cargo Express (Shanghai) Co. Ltd.	-	-	59	0	-	-	59	-
	<b>Interest</b>								
	Solaflex Solar Energy Private Limited	-	-	-	1	-	-	-	1
	<b>Management Fees</b>								
	Allcargo Logistics Ltd.	-	-	-	-	203	-	203	-
	Avvashya CCI Logistics Private Limited	-	-	22	-	-	-	22	-

## C. Summary of the transactions with related parties :

SL. No.	Nature of Transaction	Holding Company		Associates		Key Managerial Personnel (KMP) & Entities in which KMP & their relatives able to exercise significant influence & Fellow subsidiaries		Total	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>a)</b>	<b>Sundry Debtors - Trade Receivable</b>								
	Kintentsu World Express (India) Pvt Limited	-	-	-	-	196	155	196	155
	Gati Cargo Express (Shanghai) Co Ltd.	-	-	-	-	50	21	50	21
	Avvashya CCI Logistics Private Limited	-	-	-	-	21	-	21	-
	Allcargo Logistics limited	1	3	-	-	-	-	1	3

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

SL. No.	Nature of Transaction	Holding Company		Associates		Key Managerial Personnel (KMP) & Entities in which KMP & their relatives able to exercise significant influence & Fellow subsidiaries		Total	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	<b>Sundry Debtors - Other Receivable</b>								
	Gati Cargo Express (Shanghai) Co. Ltd	-	-	-	-	27	-	27	-
	Allcargo Logistics Limited	23	-	-	-	-	-	23	-
	Gati Ship Limited	-	-	0	0	-	-	0	0
<b>b)</b>	<b>Deposit (Given)</b>								
	Talentos ( India) Pvt Ltd	-	-	-	-	23	-	23	-
	Allcargo Inland Park (P) Ltd	-	-	-	-	63	-	63	-
<b>c)</b>	<b>Long term Borrowings</b>								
	Mandala Agribusiness Investments II Ltd	-	-	-	-	-	9,535	-	9,535
<b>d)</b>	<b>Sundry Creditors</b>								
	Allcargo Logistics limited	1	127	-	-	-	-	1	127
	Gati Cargo Express (Shanghai) Co Ltd.	-	-	-	-	18	18	18	18
	Comptech Solutions Private Limited	-	-	-	-	11	-	11	-
	Kintentsu World Express (India) Pvt Limited	-	-	-	-	2	-	2	-
	Avvashya CCI Logistics Private Limited	-	-	-	-	34	-	34	-
	Allcargo Inland Park Private Limited	-	-	-	-	124	-	124	-
	Bala Subramanian Aghoramurthy	-	-	-	-	-	100	-	100
<b>e)</b>	<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)

- (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) Balances as of March 31, 2022 and March 31, 2021 do not include the balances of certain parties which do not qualify as related party w.e.f. July 14, 2021 and September 28, 2020, respectively.
- (vi) Wherever amounts are "0", the value is less than rupees fifty thousand.

**50.** 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.

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

51. Pursuant to the direction of the Hon'ble High Court of New Delhi, in an appeal filed by Air India against the arbitral award of ₹2,200 lakhs, which was made over to the company i.e. Gati Limited, in the financial year 2015-16. The company has offered its property in Hyderabad as an interim collateral. Application filed for release of above mentioned collateral in lieu of Bank Guarantee of equivalent amount is allowed by the court on April 18<sup>th</sup>, 2022. The Company is in the process of submitting the Bank Guarantee (with 100% margin) for release of the said property.
52. The group has identified certain non-core assets for monetization. Proceeds from the disposal of such assets were utilised to discharge debt and other liabilities of the group. (₹ 4720 lakhs and ₹ 5889 lakhs were realized in FY 2022 and FY 2021 respectively).
53. During the year the Board of Directors of the Company issued and allotted 10,23,020 Equity Shares of face value of ₹ 2/- each ("Equity Shares") at a price of ₹ 97.75/- per Equity Share at a premium of ₹ 95.75/- per Equity Share, aggregating up to ₹ 10,00,00,205/- and 71,61,120 Equity Warrants at a price of ₹ 97.75/- per Equity Warrant with the right to warrant holder to apply for and be allotted 1 (One) Equity Share of the face value of ₹ 2/- each of the Company at a premium of ₹ 95.75/- per equity share for each Equity warrant within a period of 18 (Eighteen) months from the date of allotment of the warrants i.e. June 17, 2021, aggregating up to ₹ 69,99,99,480/- to Allcargo Logistics Limited ("ACL"), Promoter of the Company on Preferential issue basis in accordance with Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), as amended, and other applicable laws. Consequently, the shareholding of the ACL increased to 47.30% of the enhanced paid up equity share capital of the Company and on fully diluted basis it is 50.20% (after the conversion of the Equity Warrants). Further, the Company has received the 25% of the Equity Warrants amount on upfront basis during the year and remaining 75% will receive on the exercise of the option of conversion of warrants. Expenses incurred ₹ 13 lakhs for preferential allotment are adjusted against the securities premium.
54. The managerial remuneration paid to the former Executive Chairman & Managing Director (CMD) and a Deputy Managing Director of GKEPL (subsidiary company) for the year ended March 31, 2021 had exceeded the limit prescribed under section 197 read with Schedule V of the Companies Act, 2013 by ₹ 275 lakhs, has been approved by the respective shareholders of the company.
55. During the current financial year, 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 ₹ 1305 lakhs was also paid from Gati limited to GKIL as per the terms of share purchase agreement. (Refer note on exceptional items 38).
56. "The Investment of ₹ 3457 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 year at the sale consideration of ₹ 0.25 lakhs for each investment. Gain of ₹0.5 lakhs has 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 finance 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 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."
57. During the year, 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 and 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.
58. During the 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 pending for the order.

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

59. 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 and the same was provided in the books in financial year 2019-20. The Company had discharged the tax liability by ₹ 1,000 lakhs during the preceding financial year. Further balance liability of ₹ 2,257 lakhs has been discharged during the current financial year. With this the total assessed tax liability under VsV Scheme stands closed.

## 60. 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	(₹ In Lakhs)		
		Balance as at March 31, 2022	Transaction value	Balance as at March 31, 2021
Khandelwal Associates Private Limited	Receivables	-	0	0
D S Creations Of Arts Private Limited	Receivables	-	0	1
Agrawal Trading Company Private Limited	Receivables	-	4	1
Globe Tools Private Limited	Receivables	-	-	0
Mahalaxmi Collections Private Limited	Receivables	-	-	1
Nova Enterprises Private Limited	Receivables	22	-	22
Synthiko Formulations And Chemicals Limited	Receivables	1	-	1
Siddhivinayak Enterprises Private Limited	Receivables	-	0	0
A.S. Enterprises Private Limited	Receivables	1	2	0
Vinni Chemicals Pvt.Ltd.	Receivables	-	-	0
K S Infotech Private Limited	Receivables	-	5	1
Welcome Trademart Private Limited	Receivables	1	-	1
Indo American Vitamin Foods Private Limited	Receivables	1	0	1
Knitopia Fashions Limited	Receivables	-	2	13
Unique Foods Private Limited	Receivables	-	-	1
<b>Total</b>		<b>26</b>	<b>13</b>	<b>44</b>
DRS Enterprises Private Limited	Payables	4	101	5
Sangam Enterprises Private Limited	Payables	0	-	1
Prince Tyres Private Limited	Payables	-	2	-
Perfect Enterprises Private Limited	Payables	-	0	-
Rana Trading And Exports P.Ltd.	Payables	0	1	-
Patel Motors (Sanawad) Private Limited	Payables	-	0	-
Prem Transport Co Private Limited	Payables	-	-	0
Ashwavega Couriers & Cargos Private Limited	Payables	0	-	0
Shanti Transport Pvt Ltd	Payables	-	21	45
Classic Logistics Private Limited	Payables	-	3	-
Mangalam Automobiles Private Limited	Payables	0	2	-
D G Raj Commercial Private Limited	Payables	3	-	3
<b>Total</b>		<b>7</b>	<b>130</b>	<b>54</b>

Note : Wherever amounts are "0", the value is less than rupees fifty thousand.

Note : 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.

- (ii) The Group has not traded or invested in Crypto currency or Virtual Currency during current or previous financial year.
- (iii) 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.
- (iv) 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:
- 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 to or on behalf of the Ultimate Beneficiaries.



# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

- (v) 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:
- 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 to or on behalf of the Ultimate Beneficiaries.
- (vi) 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).
- (vii) 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

- (viii) 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.

## 61. Analysis of Loss/(Gain) on Disposal of Gati Kausar India limited

	(In ₹ Lakhs)
	Year ended March 31, 2022
<b>Computation of loss on disposal of Gati Kausar India limited</b>	
Carrying value of net asset sold	(6,641)
Share of Minority Interest in the net assets sold	628
<b>Loss/(Gain) on Disposal</b>	<b>(6,013)</b>
	(In ₹ Lakhs)
<b>Carrying amount of Gati Kausar India limited assets and Liabilities disposed:</b>	<b>July 14, 2021</b>
Property, plant and equipment	3,396
Investment Property	160
Right of use assets	912
Non current tax assets	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>
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>

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

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

(₹ in Lakhs)

Name of the Enterprise	2021-22							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
<b>Parent</b>								
Gati Limited	99.29%	63,218	-227%	(2,014)	3%	(7)	-306%	(2,021)
<b>Subsidiaries</b>								
<b>Indian</b>								
1. Gati-Kintetsu Express Pvt. Ltd.	40.24%	25,619	-452%	(4,007)	138%	(313)	-654%	(4,320)
2. Gati Kausar India Ltd.	-	-	630%	5,587	0%	-	845%	5,587
3. Gati Import Export Trading Ltd.	0.08%	53	-6%	(57)	0%	-	-9%	(57)
4. Zen Cargo Movers Pvt. Ltd.	-0.06%	(41)	-1%	(5)	0%	-	-1%	(5)
5. Gati Logistics Parks Pvt. Ltd.	-2.27%	(1,444)	-23%	(202)	0%	-	-31%	(202)
6. Gati Projects Pvt. Ltd.	0.00%	(2)	0%	(0)	0%	-	0%	(0)
<b>Sub total</b>		<b>87,403</b>		<b>(698)</b>		<b>(320)</b>		<b>(1,018)</b>
Inter company Elimination and consolidation adjustment	-49.35%	(31,418)	28.75%	255	0%	-	39%	255
<b>Total</b>		<b>55,985</b>		<b>(443)</b>		<b>(320)</b>		<b>(763)</b>
Non Controlling Interest in all subsidiaries	12.07%	7,686	-149.99%	(1,330)	41%	(94)	-215%	(1,424)
<b>Grand total</b>	<b>100.00%</b>	<b>63,671</b>	<b>100.00%</b>	<b>887</b>	<b>100%</b>	<b>(226)</b>	<b>100%</b>	<b>661</b>

## 63. The Subsidiary Companies considered in the Financial Statements are as follows:

Sl. No.	Name of the subsidiary	Country of Incorporation	% Voting Power as at 31st March, 2022	% Voting Power as at 31st March, 2021
1	Gati-Kintetsu Express Pvt. Ltd.	India	70%	70%
2	Gati Kausar India Ltd.	India	-	69.89%
3	Gati Import Export Trading Ltd.	India	100%	100%
4	Zen Cargo Movers Pvt Ltd.	India	100%	100%
5	Gati Logistics Parks Pvt. Ltd.	India	100%	100%
6	Gati Projects Pvt. Ltd.	India	100%	100%

\* Gati Kausar India Limited ceased to be a subsidiary with effect from July 14, 2021.

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

## 64. 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 31/03/2022, the group recognised total expenses of ₹ 34 lakhs (31/03/2021 ₹ 1 lakhs) related to Share based Payment schemes. 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, 2022	Year ended March 31, 2021
1	Date of shareholders' approval	1/27/2022	-
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	At a discount of ~39% of the closing price of Company's Equity Share quoted on the National Stock Exchange of India Limited preceding the date of grant of ESARs	-
5	Maximum term of options granted	9 years from the date of Grant	-
6	Source of shares (primary, secondary or combination)	Primary	-
7	Variation of terms of options	No Variations	-
8	Method used to account for ESOS - Intrinsic or fair value	Fair Value Method	-

S. No.	Description	Year ended March 31, 2022	Year ended March 31, 2021
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	-	-
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)	31,05,000	-
10	Number of options exercisable at the end of the year (out of total number of options approved under scheme)	31,05,000	-

### 11 Employee wise details of ESARs granted to

#### A. Senior Management

Name of Senior Management Personnel	Designation	Number of ESARs granted during the year	Exercise Price
i) Pirojshaw Sarkari	CEO	200,000	85.00
ii) Anish T Mathew	CFO	100,000	85.00
iii) T S Maharani	CS	50,000	85.00

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

## B. Any other employee who receive a grant in any one year of amounting to 5% or more of ESARs granted during the year

Name of the employee	Designation	Number of ESARs granted during the year	Exercise Price
i) Pirojshaw Sarkari	CEO	200,000	85.00

## C. Identified employees who were granted ESARs, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants & conversions) of the Company at the time of grant - Nil

- 12 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.

## 13 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	17-Mar-22
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%

- 14 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.

- 15 There are no market conditions attached to the grant and vest.

## B) Details of grants related to ESOS under various series are summarised below

S. No.	Description	Year ended March 31, 2022		Year ended March 31, 2021	
		ESOS-2006	ESOS-2007	ESOS-2006	ESOS-2007
	<b>Scheme No.</b>				
1	Date of shareholders' approval	-	-	10/11/2006	10/13/2007
2	Total number of options approved under ESOS	-	-	17,82,500	17,55,720
3	Vesting requirements	-	-	Commences at the expiry of two years from the date of grant.	
4	Exercise price or pricing formula	-	-	At a discount of 25% on the average of the weekly high and low of the closing prices for the Company's Equity Shares quoted on the Bombay Stock Exchange and / or National Stock Exchange during the four weeks preceding the date of grant of the options.	
5	Maximum term of options granted	-	-	4 years	
6	Source of shares (primary, secondary or combination)	-	-	Primary	
7	Variation of terms of options	-	-	Nil	
8	Method used to account for ESOS - Intrinsic or fair value	-	-	The company has calculated the employee compensation cost using the fair value of the stock options.	

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

S. No.	Description	Year ended March 31, 2022		Year ended March 31, 2021	
		ESOS-2006	ESOS-2007	ESOS-2006	ESOS-2007
1	Number of options outstanding at the beginning of the year (un-granted)	-	-	8,02,988	9,65,200
2	Number of options granted during the year	-	-	Nil	Nil
3	Number of options forfeited/lapsed during the year	-	-	94,905	16,095
4	Number of options vested during the year	-	-	94,905	16,095
5	Number of options exercised during the year	-	-	0	0
6	Number of shares arising as a result of exercise of options	-	-	0	0
7	Amount realized by exercise of options (₹)	-	-	0	0
8	Loan repaid by the Trust during the year from exercise price received	-	-	NA	NA
9	Number of options outstanding at the end of the year (out of total number of options approved under ESOS)	-	-	8,97,893	9,81,295
10	Number of options exercisable at the end of the year (out of total number of options approved under ESOS)	-	-	0	0

	Weighted average exercise price (in ₹)	Weighted average Fair value (in ₹)	Expected Volatility (%)	Expected Dividend (%)	Life of Options granted (Years)	Risk free interest rate (%)
11 Stock Options granted on						
2/6/2014	45.60	69.50	9.93%	1.69%	4	8%
8/6/2014	85.42	113.79	12.59%	1.73%	4	8%
4/26/2016	87.13	116.18	-6.92%	0.81%	4	8%
11/4/2016	103.40	137.94	0.72%	0.81%	4	8%

## 12 Employee wise details of options granted to

a. Key managerial personnel	Nil	Nil	Nil	Nil
b. Any other employee who receive a grant of options in any one year of option amounting to 5% or more of option granted during the year	Nil	Nil	Nil	Nil
c. Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants & conversions) of the Company at the time of grant	Nil	Nil	Nil	Nil

- 13 Description of the method and significant assumptions used during the year to estimate the fair value of the options, including the following weighted average information
- The Black Scholes option-pricing model was developed for estimating fair value of traded options that have no vesting restrictions and are fully transferable. Since option-pricing models require use of substantive assumptions, changes therein can materially affect fair value of options. The option pricing models do not necessarily provide a reliable measure of fair value of options.

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

- |  |   |
|--|---|
| <p>14 The main assumptions used in the Black Scholes option-pricing model during the year were as follows:</p> <p>(i) Weighted average values of share price</p> <p>(ii) exercise price</p> <p>(iii) Risk free interest rate</p> <p>(iv) Expected Life of Options</p> <p>(v) Expected volatility</p> <p>(vi) Dividend yield</p> <p>15 The method used and the assumptions made to incorporate the effects of expected early exercise</p> <p>16 How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility</p> <p>17 Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.</p> | <p>Refer point no. 11</p> <p>Refer point no.11</p> <p>8%</p> <p>3 years</p> <p>26-04-2016 (-6.92%), 04-11-2016 (0.72%)</p> <p>0.81%</p> <p>NA</p> <p>We have considered the historical price of the company at the stock exchange, where the trading volume is high. The average closing price on weekly basis was taken to calculate the volatility of the shares.</p> <p>No</p> |
|--|---|
65. 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.
66. The financial statement are approved for issue by the Audit Committee and by the Board of Directors at its meeting held on May 20, 2022.

#### As per our report on even date

For **Singhi & Co.**  
Chartered Accountants  
Firm Registration No: 302049E

**Anurag Singhi**  
Partner  
Membership no: 066274

Place: New Delhi  
Date: May 20, 2022

#### For and on behalf of the Board of Directors

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

**Anish T Mathew**  
Chief Financial Officer  
M. No. 211965

Place: Hyderabad  
Date: May 20, 2022

**Pirojshaw Sarkari**  
Chief Executive Officer

**T S Maharani**  
Company Secretary  
M No. F8069

# Notes to Consolidated Financial Statements

for the Year ended March 31, 2022

## 67. Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures

PART "A": SUBSIDIARIES															
Sl. No. of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation exceptional items	Exceptional Items	Profit before taxation and exceptional items	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	Gati-Kintetsu Express Pvt. Ltd.#	INR	50	25,569	80,395	54,776	-	125,314	(790)	(2,517)	(3,306)	701	(4,007)	-	70% held by Parent
2	Gati Kausar India Ltd. *	INR	-	-	-	-	-	1,008	(427)	-	(427)	(6,012)	5,586	-	69.89% held by Parent
3	Gati Import Export Trading Ltd.^	INR	230	(177)	219	166	-	57	(4)	(53)	(57)	(0)	(57)	-	100% held by Parent
4	Zen Cargo Movers Pvt Ltd.^	INR	36	(77)	27	67	-	0	(5)	-	(5)	(1)	(5)	-	100% held by Parent
5	Gati Logistics Parks Pvt. Ltd.^	INR	1	(1,445)	0	1,444	-	-	(1)	(201)	(202)	-	(202)	-	100% held by Parent
6	Gati Projects Pvt. Ltd.^	INR	1	(3)	0	2	-	0	(0)	-	(0)	-	(0)	-	100% held by Parent

### Names of the subsidiaries which are yet to commence operations

#### Name of the companies

Gati Logistics Parks Pvt. Ltd.  
Gati Projects Pvt. Ltd.

(\*) 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

Sl. No. of the Associate/ Joint Venture	Shares of Associate/ Joint Ventures held by the company			Profit/loss for the year					
	Latest audited Balance Sheet date	No. of shares	Amount of Investment	Extent of holding %	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	Considered in consolidation	Not considered in consolidation
1	Gati Ship Ltd.	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 16 <sup>th</sup> May, 2014. Hence the same is not considered in consolidation.	52	-	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 .









allcargo group  
Ingenuity In Motion



**Registered Office and Corporate Office**

Gati Limited  
Plot No. 20, Sy. No. 12, Kothaguda, Kondapur,  
Hyderabad - 500 084, Telangana, India.  
Tel: (040) 7120 4284, Fax: (040) 2311 2318  
Email: [investor.services@gati.com](mailto:investor.services@gati.com)  
Website: [www.gati.com](http://www.gati.com)  
CIN: L63011TG1995PLC020121