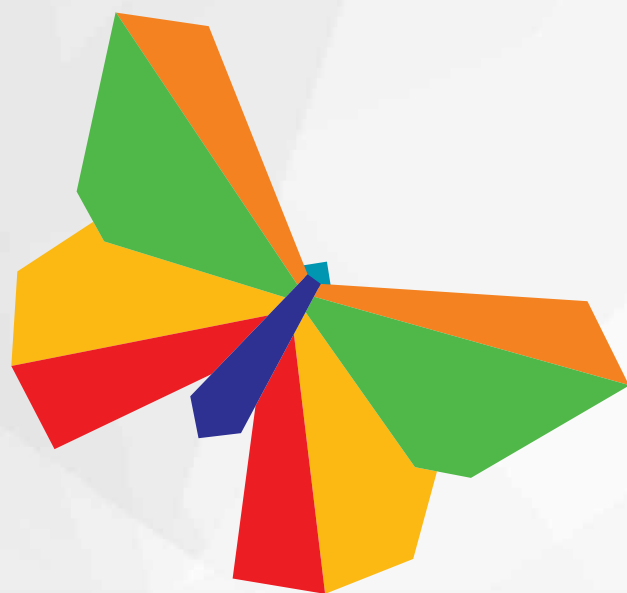




CHANGE IS THE ONLY
CONSTANT. TRANSFORMATION,
THE ONLY WAY FORWARD.



A N N U A L R E P O R T 2 0 1 3 - 2 0 1 4



THE REVOLUTION OF TRANSFORMATION

As John C. Maxwell rightly said, “We cannot become what we need by remaining what we are”.

The world is evolving. And along with it, so must we. Perfection is constant transformation. And only by transforming, can we surge ahead towards success.

We believe it's all about the effort. That's when the transformation happens. And that's how great success is made. Success – not just for the company, but also for every individual bringing in that effort, and therefore, for the world around them.

Gati Limited is India's pioneer in Express Distribution Services and under its umbrella comes value added services in the form of e-Commerce Solutions, Supply Chain Solutions, Cold Chain Transportation Solutions, Warehousing, International Freight Forwarding and Custom Clearance.

Founded in 1989 as a cargo management company, Gati is now India's leader in Express Distribution. With a track record of 24 years, Gati is one of India's most coveted companies, employing 3500 people and serving over 5000 customers – including the top 10 brands in the Automotive, Healthcare, Engineering and Consumer Durables industries.

Gati has a strong market presence in the Asia Pacific region and the SAARC countries, with offices in China, Singapore, Hong Kong, Thailand and Nepal, and has plans to foray into other markets.

VALUES – THE KEY TO SUCCESSFUL TRANSFORMATION

Transformation is all about the choices you make. And it's these choices that build up and help cultivate the person you are and what you achieve. In a company where every employee demonstrates the dedication and commitment to transform and succeed, there is a need for a force that propels them in the right direction. These are Gati's values. Values that lay the foundation for success.

OUR ATTITUDE

Elegant Customisation: We absorb global and home trends with curiosity, and customise our offerings with an elegant method to meet the customer's wide range of expectations, and care for his objects like precious pearls.

OUR BEHAVIOUR

Sensitive Streamlining: With passion, integrity and responsibility we take ownership to converge towards organised teamwork with cost efficient, sensitive customer focus.

OUR ACTION

Domino discipline: In all transactions, we follow a domino game-like disciplined chain of consecutive actions at any given time & place, to achieve the goal of customer value protection and quality delivery.

OUR DELIVERY PROMISE

Caring for our customers' precious objects with domino discipline, we promise to stay ahead in service quality, wide network, high-calibre responsible people, technology & automation.



TRANSFORMATION BRINGS GREAT REWARDS

“If we did all the things we are capable of, we would literally astound ourselves.”

– **Thomas Edison**

Transformation and success go hand in hand. And so do success and rewards. Gati takes its standard of excellence one step further, each time. And this is a reputation the company has come to gain. The following awards are a testament to Gati’s commitment to providing unparalleled services and connectivity.

YEAR	AWARD CATEGORY/BY	AWARD
2014	Mahindra Logistics	Business Partner Award
2014	Confederation Of Indian Industry	Scale Award for Supply Chain & Logistics Excellence
2014	3rd Asia Manufacturing Supply Chain Summit	Achievement in Continuous Improvement
2014	ICC Supply Chain & Logistics Excellence Awards	Road Transportation
2014	Confederation Of Indian Industry	5S Excellence Award
2013	Logistics & Supply Chain Leadership Awards	ELSC CEO of the Year – Ms. Chitra Shinde
2013	Logistics & Supply Chain Leadership Awards	Best Road Service Provider of the Year
2013	Carlson Rezidor Hotel Group	Corporate Social Responsibility Award
2013	CIO Magazine and IDG Media	CIO Hall of Fame Award & CIO 100 Award – Mr. G. S. Ravi Kumar

SUCCESS IS A JOURNEY OF TRANSFORMATION

Transforming is tough. But it's the only thing that brings success. And the ability to transform quicker, stronger and better than the competition is the only way to stay ahead of the game. That's exactly what Gati's streamlined unit of successful verticals demonstrates – pioneering the industry with greater success and greater efficiency.

GATI KINTETSU EXPRESS PRIVATE LTD.

Gati Kintetsu Express Pvt. Ltd., the joint venture flagship company, has retained its market leadership in the Road Express segment. The FY of 2013-14 was successful, given the challenges of the economy. GDP and IIP grew at 4.7% and 2.5% respectively, during the previous year. Despite the slowdown of the economy, PE investments and FDI, the business registered a growth of 21% and Air Cargo grew by 10%, in a nine-month period, YoY. Transport Solution and Transport registered a growth of 9% and 10%, respectively. The Auto, Electronics/Computer Peripherals & Pharma industries continue to be strong contributors to the overall revenue. The JV synergy has resulted in revenue of ₹ 11 crores, during the reporting period.

We recognise the value of quality services and emphasise on continuous quality improvement. "The GATI-KWE Way", was launched last year to minimise defects, and has continued to achieve excellence through the KAIZEN, LEAN and 5S principles. Automation processes like CCTVs, tablets and scanners, have been introduced, thus improving service levels. This eliminated waste practices and developed a clean and productive work place that contributes to better performance and attaining sustainable growth.

GATI E-CONNECT

The Indian e-Commerce market has experienced a phenomenal growth of almost 50%, in the last five years. The number of Internet users has increased, and so have the acceptability of online payments and the proliferation of internet-enabled devices. Favourable demographics drive the growth of e-Commerce in the country.

To capitalise on the burgeoning market, Gati e-Connect has expanded its services to provide intelligent solutions to the customers. We have launched services like the Gati e-Pack (packing solutions) and the Gati e-Pick – both professionally managed services, for safe packaging and swift delivery of white and non-white goods.

Furthermore, we have introduced the Gati Reverse Pick-up, to manage the return of goods to the vendors. This independent service offering has a dedicated set of processes that complete the reverse cycle.

GATI KAUSAR LTD.

The Cold Chain Industry is booming and expected to grow at a CAGR of 28.7%, between 2012 and 2017, meaning, the market will touch US\$ 11.6 billion, by 2017. Drawing its strengths from the two most trusted names in the industry, Gati Kausar is at the forefront of the Cold Chain Industry in India. Through its wide reach and innovative technology, Gati Kausar enables effective, efficient and reliable delivery of products that require integrated and customised cold chain solutions. Gati Kausar caters to a wide variety of industries that include healthcare, meat and poultry, bio-pharma, frozen and fresh produce, dairy products, organised retails and quick service restaurants.



Fixated on the aim of developing state-of-the-art cold warehouses across India in the next 2 years, Gati Kausar is poised to fortify capabilities for providing integrated cold chain solutions to the agri-food, pharmaceuticals and retail sectors. The company's temperature-controlled storage and distribution supply chain entails prioritising customer-specific needs. Gati Kausar registered a turnover of ₹ 11.2 crores, as compared to ₹ 11.6 crores in the same period last year.

PROJECT UDAAN

Project Udaan is GATI-KWE's business transformation exercise that was launched last year. It addresses both the revenue and cost levers, to improve the profitability of the organisation.

Concerning revenue, Project Udaan has conducted a sales visibility process, to help drive a performance culture in sales. The sales team is now equipped with insights to propose better client value proposition, and drive better client intimacy and differentiation in the market place. As a part of the next wave of transformation, Project Udaan will aim at creating a sales organisation of the future, by equipping the team with advanced mobility tools and creating a team that focuses on industry-based solutions and delivering client value, by demonstrating domain expertise. GATI-KWE will also open newer markets with innovative product offerings and services.

Project Udaan has also created a sense of ownership in terms of driving cost optimisation. GATI-KWE now has a stream of project ideas being proposed by the field teams who desire to be part of this transformation – making Gati a world-class Express Logistics company. The operations team is planning initiatives that will ensure “Zero DEPS”, changing the entire landscape of the Indian Express Logistics Industry.

Project Udaan has shown promising results in the first 12 months of its launch and the company believes, given its success, it is now poised to launch deep structural changes based on advance analytical tools around network and route optimisation. As the organisation moves towards deploying, these tools and data driven insights will help position Gati in a way that it captures the rapid growth in the e-Commerce logistics business.

WITH TRANSFORMATION COMES GREAT RESPONSIBILITY

Success is all about transforming and achieving. But for it to really mean something, one must be the best they can be – because in the end, the one quality that matters is the ability to take on responsibility. CSR is an integral part of Gati's culture and the company is committed to fulfilling its responsibilities as a member of the society and community. In various capacities, Gati and its group companies contribute towards the fields of Education, Community and Environment. Gati constantly seeks opportunities to give back to the society and hopes to make a difference to the lives of people, by sharing its business success with them.

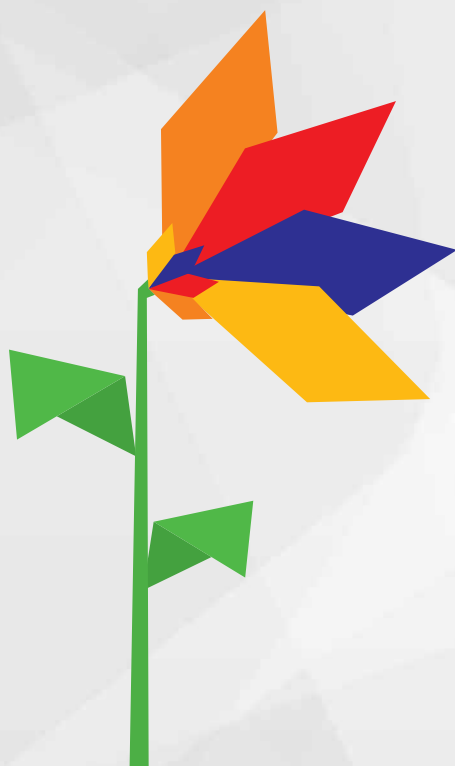
EDUCATION

Gati Government School, Hyderabad

Gati teamed up with the Government of Andhra Pradesh and built the Gati Government School, in Banjara Hills, Hyderabad. In 2011, it was declared a "Model Government School". Gati financially supports the school in conducting yearly events and undertakes all housekeeping, security and maintenance expenses. Presently, the school has over 850 students and 27 classrooms. It ensures to celebrate national days like Children's Day, Teacher's Day, Republic Day, Independence Day, etc., and felicitates teachers and students for their outstanding performances. As a commitment to promoting the use of modern information and communication technology, Gati has provided the school with 20 computers.

Gati MC High School, Nagore, Tamil Nadu

In the year 2005, Gati undertook the development of the MC High School, at Nagore – the tsunami-affected district of Tamil Nadu. Currently, the school provides education to more than 380 children from tsunami-affected families. The school was recently bestowed with the title of 'The Best Government School' in Nagore. Gati has provided 20 computers here too, for the benefit of the students and the community.



COMMUNITY

Gati'ites Come Together for the Uttarakhand Calamity



In an effort to do their bit for the survivors of the Uttarakhand calamity, all Gati'ites voluntarily contributed two days of their salary. The company donated a sum equivalent to double the employees' contribution. The funds were used to help rebuild Uttarakhand. On 26th May 2014, Gati signed an MoU with the Government of Uttarakhand, to construct a Multipurpose Community Centre at Rudraprayag, to help improve the community infrastructure and social welfare. On 13th December 2013, GATI-KWE received a certificate from the Honourable Chief Minister of Uttarakhand – Shri Vijay Bahugana, for the exemplary work done to provide immediate relief to the victims of the 2013 floods.

Gati'ites Provide Support to Thara



Thara is a charitable not-for-profit organisation that takes special interest in the welfare of children who are deprived of a family. GATI-KWE extends its support to this cause by regularly visiting the children at their centres, celebrating national festivals with them and distributing notebooks and play materials.

The GATI-KWE team, in association with Share India (MediCiti Institute of Medical Sciences), organised a medical check-up camp for the children of Thara, at the MediCiti Hospital in Ghanpur, Telangana. Some students who were diagnosed with medical problems were provided medicines and medical tests. Gati also distributed a yearlong supply of various medicines.

Blood Donation Drive

The 6th P. D. Agarwal Blood Donation Drive was organised at various locations across India. 342 Gati'ites, including the business partners, participated in it. The Red Cross Society ensured that the donations went towards saving precious lives.

MoU with Oxfam

To support the community in times of natural calamities, GATI-KWE signed an MoU with Oxfam India, in May 2013. According to it, GATI-KWE would be Oxfam's logistics partner for its humanitarian activities in India. Oxfam India, an affiliation of Oxfam International, works towards humanitarian activities such as setting up disaster relief centres and helping rebuild livelihood for people displaced due to natural calamities.

Gati Muskaan



'Gati Muskaan' was launched with the intention of not only fulfilling our social responsibility, but also spreading 'muskaan' and touching lives. Gati recognises the challenges faced by lesser-privileged children, and to help them overcome some, the team conducted a series of activities in orphanages across 17 locations in India. Painting and singing competitions, along with fun games,



were conducted, and prizes for the best were given, to motivate the little ones. A Happy Meal from McDonalds was the icing on the cake, creating moments of joy for each one of them. Gati is also sponsoring the "Human Development Foundation of Sikkim (HDFS)" – an orphanage where tribal children come from the highly protected area of Zongu. This orphanage was founded by Ms. Keepu Lepcha who has been conferred with awards like the "Padma Shri", "CNN IBM Real Hero Award" and many more, for her selfless work in the development of underprivileged children and her outstanding contribution in the field of social service.

Delivering Aid to Telangana's Flood-affected

In the first week of October 2009, the floods hit Rajouli Village, known for its famous Gadwal sarees, making it amongst the worst affected villages in Mahabubnagar, Telangana. It shattered the lives of the weavers, who lost their looms as well as their houses. Gati took the responsibility of reviving the handloom weavers' community, acquired 2 acres of land in the village and constructed 2 work sheds that could accommodate 78 weavers. Facilities like water, lighting, ventilation and washrooms were also provided, in addition to a yarn-spinning machine. An NGO has also been appointed to train them on improved techniques of weaving, for greater quantity and quality. The NGO is also responsible for developing links with the market, getting support from banks and keeping them up-to-date with market trends. Gati also maintains the work sheds on a monthly basis.

ENVIRONMENT

Supporting Wealth Out of Waste

Gati has always been committed to building a clean

and green society. As a step towards this, Gati lends support to the ITC-PSPD Ltd. & RRRL's National Recycling Project – Wealth out of Waste (WOW). This project aims to protect the environment and reduce global warming, by creating awareness on the importance of recycling – encouraging them to segregate waste and dispose it responsibly.

Gati systematically recycles material from all its offices. The company received a certificate for contributing 17,139 kgs of paper waste to WOW, between September 2012 and October 2013. This resulted in environmental savings of 377 trees, 19 cubic metres of land fill space, 446 KL of water, 7713 units of energy and a reduction of 15 Mt of carbon dioxide.

Recycling e-Waste: An Initiative Towards a Greener IT

For the last 3 years, Gati has been disposing off its old IT hardware in an organised and environment-friendly manner. It is being consolidated and handed over to Eco Recycling Limited for recycling. This initiative is aimed at reducing air and water pollution caused by hazardous disposal. Additionally, recycling also reduces the amount of greenhouse gas emissions caused by the manufacturing of new products and helps keep the environment green. GATI-KWE is also the logistics partner of Eco Recycling Limited, across 750 locations in India.

GATI-KWE Adopts a Tiger

As a contribution towards wildlife conservation, Gati has adopted a tiger at the Nehru Zoological Park, Hyderabad. The company has donated ₹ 1 lakh towards the maintenance and care of the tiger, between 2013 and 2014. Gati'ites also participated in a flower shrubs plantation drive at the zoo.

Tree Plantation Drive

Gati conducts various initiatives as a part of its responsibility towards the environment. 200 saplings were planted across 16 locations in India. Some of these included Hyderabad, Bangalore, New Delhi, Mumbai and Chennai, to name a few.