

ONE NATION. ONE MARKET. **ONE LOGISTICS PARTNER.**



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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 result 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.



You can also find this report online on:
www.gati.com



Today, in a country as big and as populated as India, with an economy that's growing rapidly, logistics play a role more important than ever. It connects businesses to customers and as well as other businesses. A strong logistical support acts as the firm foundation on which businesses can truly grow and expand their presence across the length and breadth of the country. At the same time, it makes the lives of the common citizens easier, by bringing the products and services they need within their reach. This is the philosophy with which Gati was born and this is exactly what we strive for each day –

Because to be the most preferred logistic solution partner which would unite not only the businesses, the markets but also the nation into one!

ABOUT GATI

We are market leaders in Express Distribution and Supply Chain solutions, committed towards helping our customers to grow their business by customizing the delivery solutions.

Gati was found in 1989 as an Express Distribution service provider having headquarters in Hyderabad. Over the years, we have transformed ourselves to provide multiple services and solutions in logistics and distribution to our customers, and emerged as a market leader in several

offerings. We offer our services to around 99% of districts in India operating in more than 1,900+ scheduled routes. We have integrated and IT supported multi-modal network of surface, air and rail along with warehouses spread across India. We also offer transportation solutions (M-VATS),

E-commerce, Trade Inventory Management, Freight Forwarding and Cold Chain Solutions. This helps us to provide Supply Chain Solutions to customers present across different industries. We have a strong presence in Asia Pacific region and SAARC countries

180+

Reefer Trucks

1400

Scheduled Routes

5,000

Fleet Size

2900+

Gati Business Associates

2000+

Last Mile Ecom Delivery Fleet

3.5+

Mn Sqft Warehouse Space across India

696

Offices across India

24X7

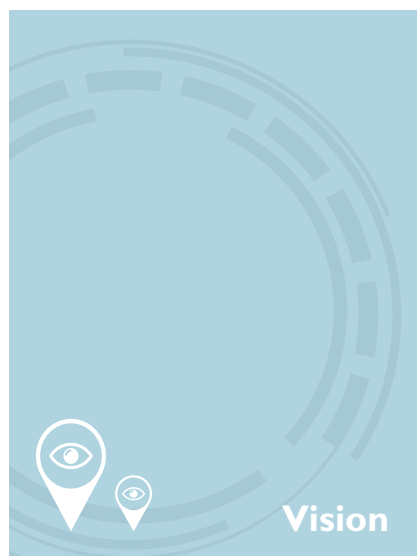
Customer Support

4321

Young Work Force (considering all group companies)



OUR VISION AND VALUES

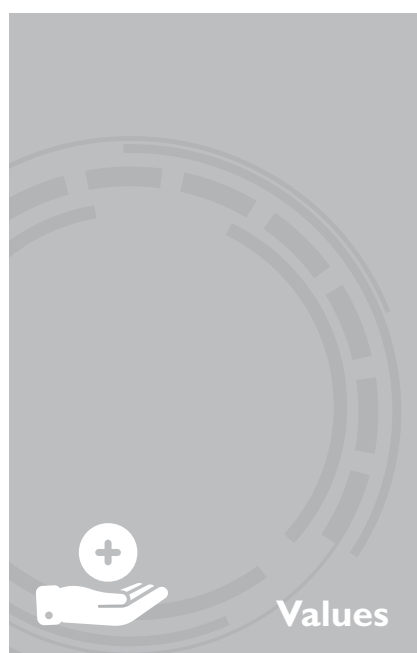


To be a globally preferred provider of India-centric supply chain services and solutions and a leader in the Asia Pacific region

To delight our customers with quality service by setting new trends through innovation and technology.

To be the most preferred organization amongst all our stakeholders.

To be a responsible corporate citizen with steady commitment towards environment protection and conservation.



Our Attitude: **Elegant Customization**

We absorb both global as well as domestic trends with curiosity and customize our offerings in an elegant method to meet the wide range of customer's expectations and care for his objects.

Our Behaviour: **Sensitive Streamlining**

With passion, integrity and responsibility we take ownership to move towards organized teamwork with cost efficient and sensitive customer focus.

Our Action Domino: **Discipline**

We follow a domino game-like disciplined chain of consecutive actions at any given time and place in all our transactions to be able 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 providing quality service, wide network, high calibre responsible people, technology and automation.



We aim to deliver a million packages a day by 2022. This we are doing by ramping up our operations, investing towards expanding our network and delivery capabilities. We will continue to focus on improving our sales along with providing quality service.

FOUNDER AND CEO'S MESSAGE



Dear Shareholders

In a business ecosystem marked by uncertainties following the GST roll-out, your Company completed yet another financial year, confidently holding its leadership position in driving compliance with zero roll-over downtime. While domestic economy has experienced sluggish demand blended with liquidity challenges, the long-term outlook for logistics remains positive and the on-going economic and tax reforms herald a sustained long-term growth for organized players like your Company. Specifically, the implementation of E-Way bill, will help strengthen your company's market presence. Furthermore, with the logistics sector being awarded infrastructure status in November 2017, companies like your company can avail infrastructure lending

with easier terms and enhanced limits. With the expected stabilization in the overall industry, your company remains positive and continues to focus on customer satisfaction and innovative logistics solutions as part of its growth strategy.

Performance Highlights

The year 2017-18 started slowly as express freight environment was curtailed due to GST implementation from 1st July, 2017. As a result, your company's first quarter top-line fell short of expectations. However, your Company's capabilities to scout for right business opportunities amidst this volatility resulted in volumes returning in second quarter. By the end of the fiscal year



Your Company has also introduced the first Gati Electric Vehicle in its fleet and is committed to provide eco-friendly delivery option within network.

2017-18, things seem to have settled down with core businesses not only recovering but also growing. Overall, your company witnessed a growth of 6% in the core express distribution business. E-commerce industry is in a state of evolution with continuous competitive pressure in terms of pricing and volume fragmentation within local geographies.

This is reflected in the performance of your company's standalone business. During the year, your Company resolved the long pending FCCB's matter and accordingly converted 14,654 FCCB's into 1,98,74,225 equity shares and redeemed 7,528 FCCB's for an amount of Rs. 643.7 Mn.

Emerging Opportunities

E-way bill requires significant technology intervention in the everyday goods transportation and it is expected to further push the share of freight volumes from unorganized sector to organized sector. E-way bill requires a logistics provider's technology platform to be closely synchronized with freight operations and thus will act as a disadvantage for the smaller unorganized players. At the time of the definitive roll-out of E-way bill after initial deferment, your Company was ready with the technology solution required for e-way bill. With the roll-out of GST, Tax-saving centric warehouse locations may become irrelevant and realignment of warehouses will facilitate growth of third-party provided SCM solutions in India. Your Company

believes that 'GST along with e-way bill will take the logistics service sector to next-level growth'.

Training

Your Company has always 'invested towards developing people skills and capabilities to maintain our leadership position' in the current competitive market. During the year, your company inaugurated a Driver Training Institute at Hyderabad, in association with the Swarna Bharat Trust, which features a state of the art heavy motor driving simulator and highly trained staff aims to impart best-in-class training to the drivers. Our objective in setting up the training institute is to address the challenge of driver shortage in the logistics industry. The Driver Training Institute will provide periodic refresher courses to long-haul and in-city drivers.

Building Sustainable Committee

Your Company believes that it is important to operate in a responsible manner to develop a sustainable business for different stakeholders. In the past few years, your Company has taken up various CSR activities to benefit different communities around us. Over the years, your Company have undertaken CSR activities that are directed towards education, environment, and community development.

Your Company has also introduced the first Gati Electric Vehicle in its fleet and is committed to provide eco-friendly delivery option within network.

Way Forward

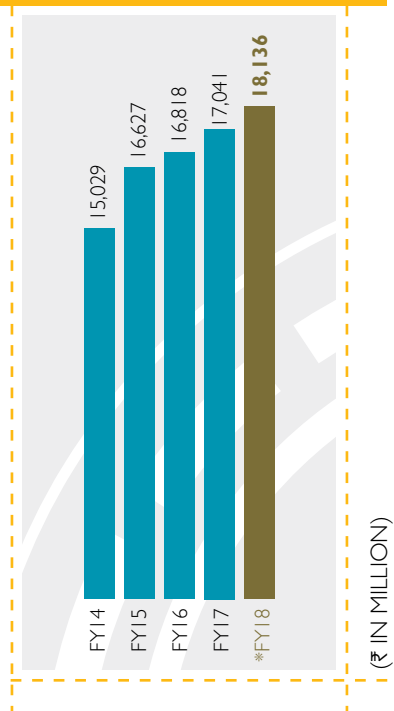
Going forward, as the domestic economy gradually absorbs the impact of GST, your company aspires to capitalise on the various opportunities and uphold its commitment towards growth. While the impending elections across many states and the general elections will add to the uncertainties in the business environment, your company is looking at delivery solutions for the future. This will be done through continuous enhancement of the network, an enhanced "GST-responsive" product portfolio, cost-conscious operations and introduction of innovative service delivery models.

I would like to take this opportunity to thank our shareholders for putting their faith and trust on your company. I would also like to thank our board of directors for their guidance. I look forward to exciting times for the company in the near short-term.

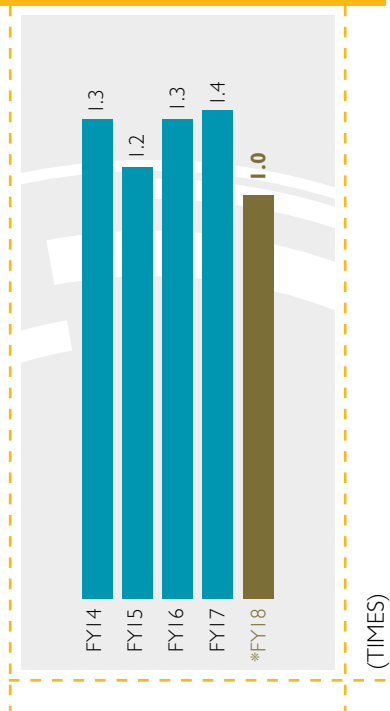
Mahendra Agarwal
Founder & CEO

FINANCIAL HIGHLIGHTS (CONSOLIDATED)

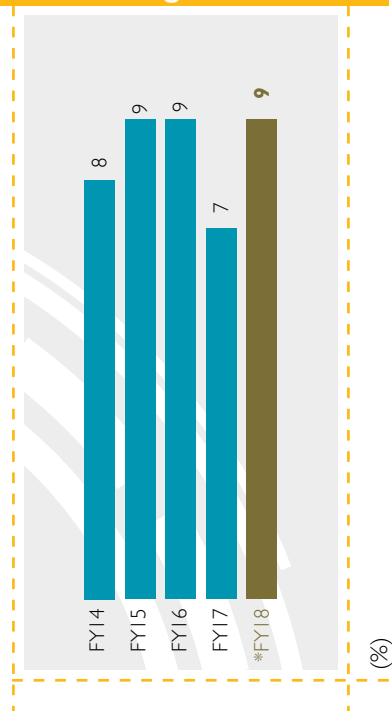
Total income



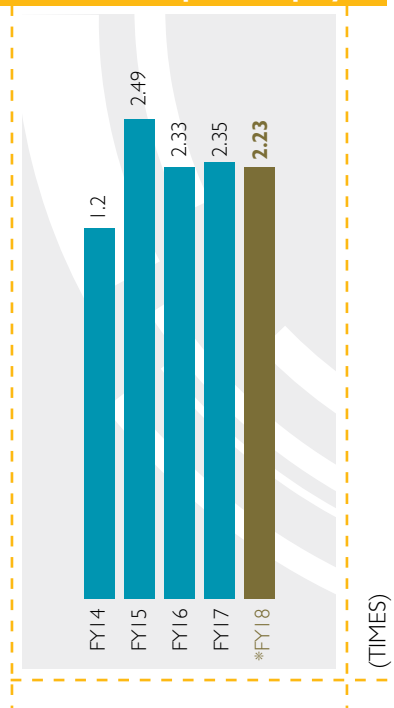
Current Ratio



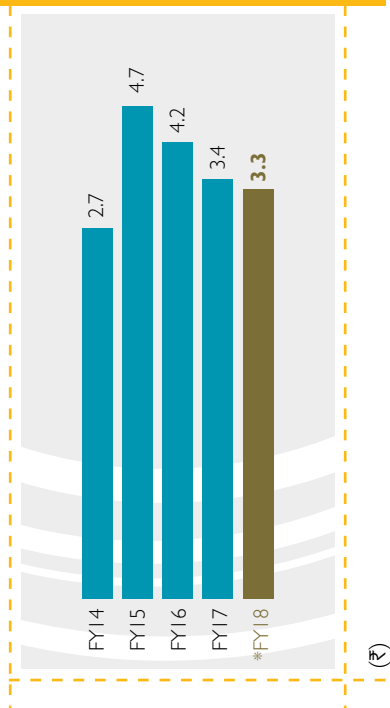
EBITDA Margin



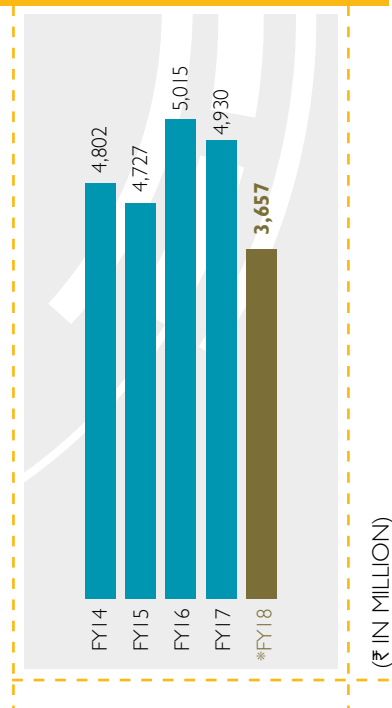
Turnover on Capital Employed



EPS



DEBT



* FY18 Financial Highlights are based on Ind AS numbers.

BOARD OF DIRECTORS



K L Chugh, Chairman



Mahendra Agarwal, Founder & CEO

Sunil Alagh, Director

P N Shukla, Director



N Srinivasan, Director



P Sudhakar Reddy, Director



Yasuhiro Kaneda, Director



Sheela Bhide, Director



OUR BUSINESS SEGMENTS

EXPRESS DISTRIBUTION



Gati-KWE is an unmatched leader in Express Distribution and Supply Chain Solutions, committed to make their customers' business always 'Ahead in reach' while partnering with them to elegantly customize the delivery offering. We provide our

customers with multi-mode services in form of air, surface and rail. This helps us to ensure that every customer gets an integrated, seamless and cost effective solution right from the planning, transportation, routing till delivery.

Strengths:

- State-of-the-art tracking services in form of online tracking, SMS and E-mail of goods in transit
- Customized, end-to-end integrated services are provided by us
- Fast delivery is ensured by us; we ensure delivery within 12 hours or by next day
- Well-established service level monitoring that ensures safety, security and timely delivery

Products:

- Laabh- Up to 20kgs via surface at Rs.440 along with a risk coverage up to Rs.15000 on the shipment
- Art Express- Our expertise, wide reach, and state-of-the-art infrastructure makes art express an ideal choice for private collectors, antique dealers, fine art specialists, and many such people
- Secure Box- Shipments up to 10kgs and size 17X12X11 via air at Rs.600
- Student Express- Customized for the student community relocating to and from their hostel
- Desk to Desk Cargo- Shipments via surface for a single package up to 5kgs at Rs.220
- Excess Baggage- We ensure shipment of extra luggage to any destination in India within 24 hours or any stipulated date
- Premium Flexlite- Shipments via air for packages up to 5kgs for Rs.60 per kg in all metro and non-metro cities within 24 to 48 hours

18

Express Distribution
Centers in India

5,000+

Vehicles across the
country