

PERFORMANCE THAT DELIVERS ON PROMISE

ANNUAL REPORT 2018-2019

WAREHOUSING
SOLUTIONS



RAIL
SOLUTIONS



COLD CHAIN
SOLUTIONS



FREIGHT
FORWARDING



E-COMMERCE
LOGISTICS



AIR
SOLUTIONS



EXPRESS
DISTRIBUTION



M-VATS



CROSS BORDER
COMMERCE

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Consolidated

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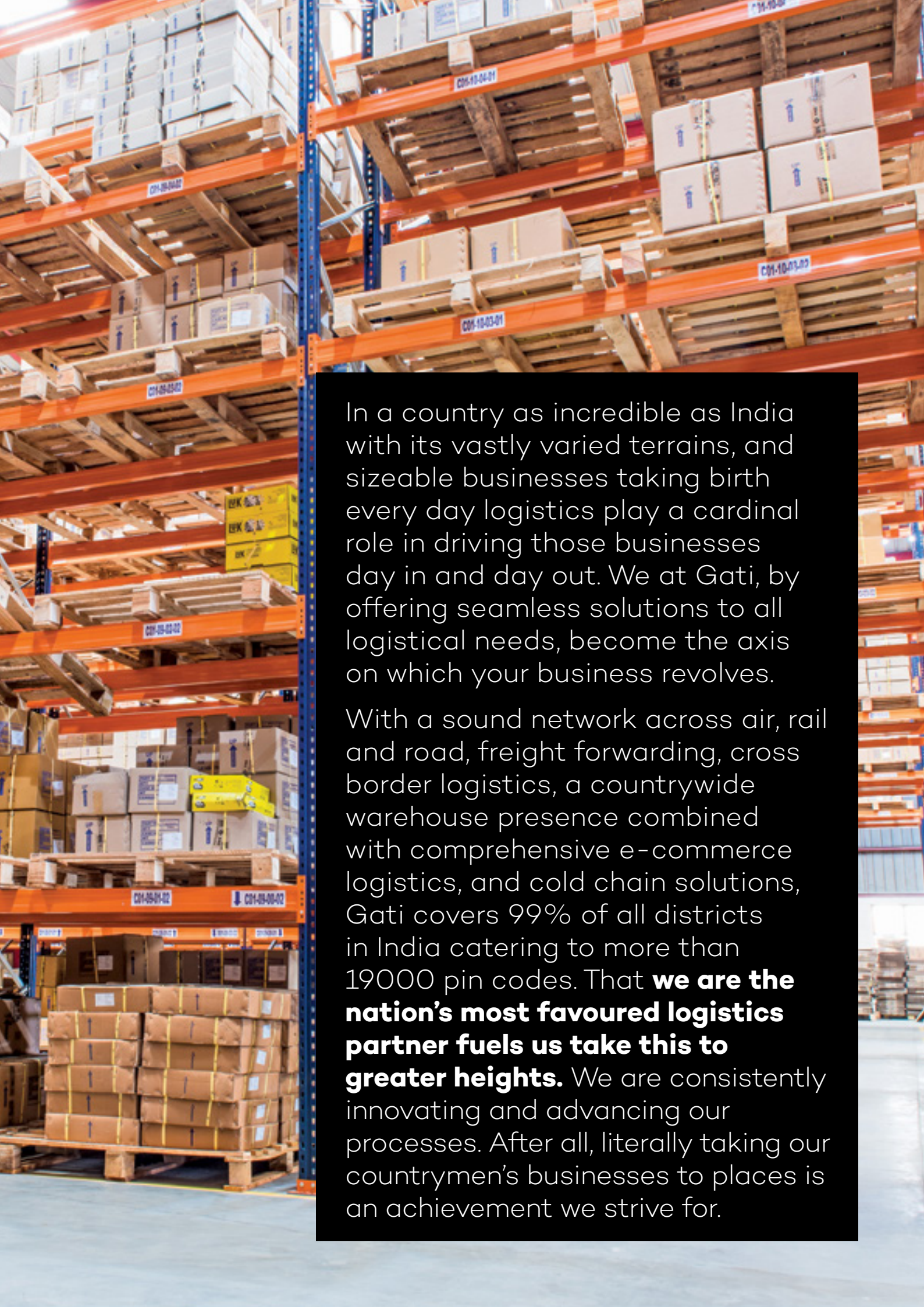


You can also find this
report online on:
www.gati.com



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.



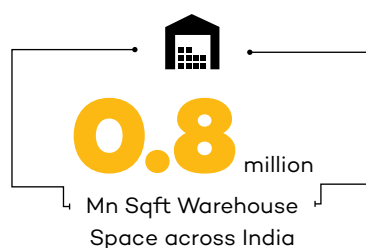
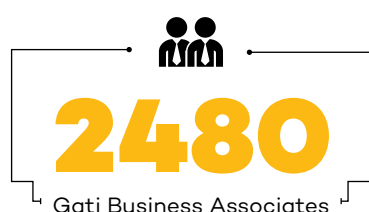
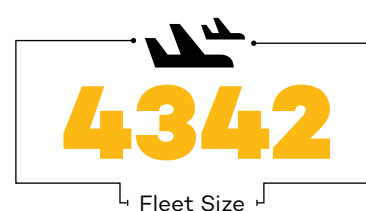
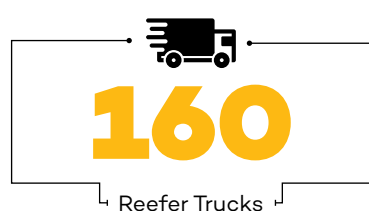
In a country as incredible as India with its vastly varied terrains, and sizeable businesses taking birth every day logistics play a cardinal role in driving those businesses day in and day out. We at Gati, by offering seamless solutions to all logistical needs, become the axis on which your business revolves.

With a sound network across air, rail and road, freight forwarding, cross border logistics, a countrywide warehouse presence combined with comprehensive e-commerce logistics, and cold chain solutions, Gati covers 99% of all districts in India catering to more than 19000 pin codes. That **we are the nation's most favoured logistics partner fuels us take this to greater heights.** We are consistently innovating and advancing our processes. After all, literally taking our countrymen's businesses to places is an achievement we strive for.

About Gati

We are pioneers in Express Distribution and Supply Chain solutions, committed to facilitating our customers to grow their business by providing them customized delivery solutions.

Gati was incorporated in 1989 as an Express Distribution service provider with headquarters in Hyderabad. Over a period of time, we have transformed ourselves to provide multiple services and solutions in logistics and distribution to our customers, and today, we have emerged as a market leader in several offerings. We provide services to around 99% of districts in India operating in more than 5402+ scheduled routes. We possess integrated and IT-supported multi-modal network of surface, air and rail along with warehouses spread across India. Our offerings include transportation solutions, E-commerce, Trade Inventory Management, Freight Forwarding and Cold Chain Solutions. This helps us to improve Supply Chain Solutions to customers present across different industries. We have a strong foothold in Asia Pacific region and SAARC countries.

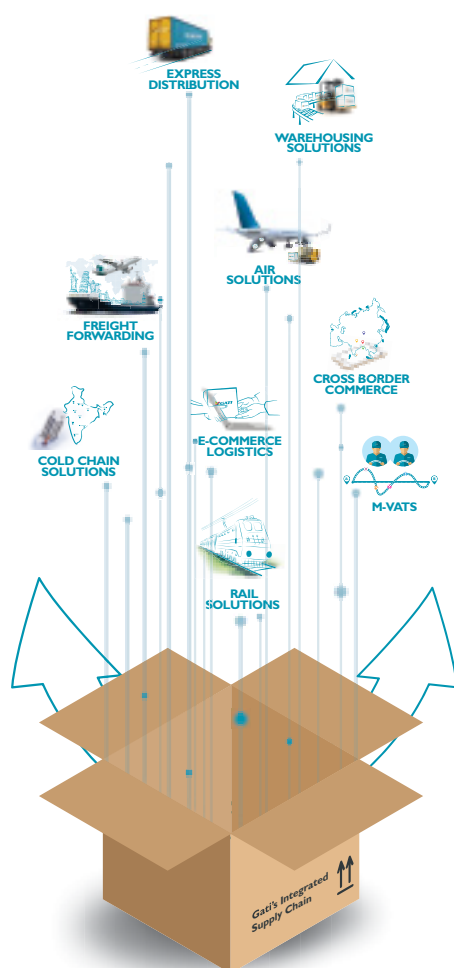


Our Vision and Values



Our Vision

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.



Vision 2022

Rapid **Acceleration** to One Million Package Deliveries per day

Transformation from a dominant Express Distribution Services player to an End-to-End Logistics Powerhouse



Our Values

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.

Founder & CEO's Message



I am proud to inform that we had a successful and seamless E-way Bill Process Roll Out with zero service disruption in addition to the continuous handholding and training to customers where needed.



Dear Shareholders

This year has witnessed a series of external events affecting the macroeconomy and the logistics sector. The period leading to the general elections did have a reduced industrial output, combined with degrowth in auto & consumer durable sector and flat performance in pharma, consumer non-durable, and other key sectors, mainly towards the later half and end of FY19. Simultaneously the logistics sector

witnessed entry of newer players and expansion of existing player with pressure on market prices, leading to lower profitability in the overall organised sector.

Amidst these external variables, your Company has grown and enhanced its service portfolio with leading customers to build on its vision as an end to end logistics solutions provider.

Performance Highlights

With regards to the overall performance during the year, we witnessed steady growth of 7.30% in revenue from operations. Amongst the business verticals, e-commerce displayed a strong double-digit growth including considerable improvement and expansion of services. Gati Kausar (Cold Chain Division) turned positive EBITDA for the first time in FY 19. The core business grew at 5.36% represented by GKEPL with a focus on delivering end to end logistics solutions for the customer.

Your company was honored with multiple awards from national industrial bodies and industry leaders across healthcare, auto among others for our continuing service excellence and customer centricity.

Emerging Opportunities

Technology is playing a key role across the business ecosystem, starting from the internal processes and capabilities, customer integration and interface to complex data mining. Even in a traditional industry like logistics, there is a preference emerging for information consumption and interaction on the Mobile.

Your Company has always been at the forefront of technology and has had many firsts to its

credit. I am proud to inform that we had a successful and seamless E-way bill process rollout with zero service disruption in addition to the continuous handholding and training to customers where needed.

I am also glad to announce that your Company is undergoing an efficient transition to a completely new state of the art IT Infrastructure (GEMS 2.0) and would yet again set the technology and processes benchmark in the logistics industry aimed at directly delivering value to the customers.

Training & People

In a service based industry our people are our assets and your Company undertook around the year training across multiple levels including leadership counselling with the support of outside professionals and internal experts. We continued our focus on driver training across our multiple facilities in India.

Additionally, your Company conducted an extensive Channel & Business Partner training & induction program across its operating units for improvement in quality, customer engagement & service.

Building Sustainable Committee

We continued to push our efforts in CSR with key focus education, environment, community, rural development, and health. Your company also provided support during Kerala Flood and Bhubaneswar Cyclone. The focus on electric mobility remained strong with the incorporation of e-vehicles in last mile fleet in e-commerce and express distribution business directly aiming at a reduction of carbon footprint and moving towards a sustainable future.

Way Forward

Your company has created the roadmap for achieving the 2022 vision of delivering one million packages per day and become an end to end logistics solutions powerhouse. The program has identified several breakthrough initiatives aimed at improving internal capabilities, winning customer confidence, handling ever-changing market dynamics, continuous improvement and innovation.

We have made significant progress in this program and have started seeing results in many areas and is setting the foundation for achieving the 2022 vision.

In summary, your Company is continuously gearing up in this dynamic macro-economic situation. We are optimistic about the future and I am thankful to you all for the strong confidence in your Company and its management.

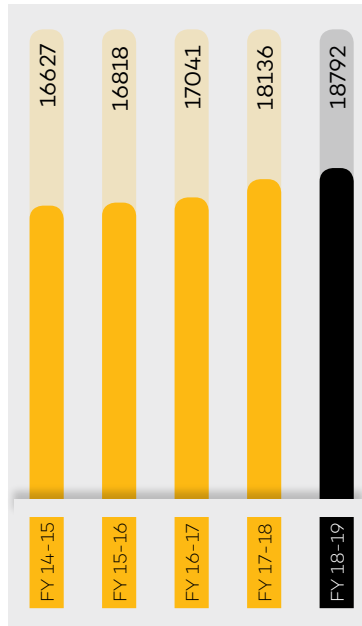
Mahendra Agarwal
Founder & CEO

Financial Snapshot

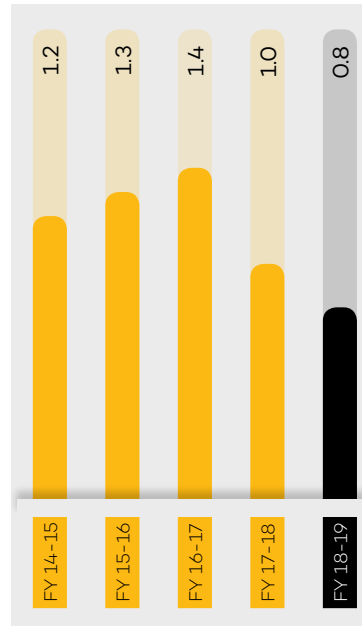
(Consolidated)

Total Income

(₹ in million)

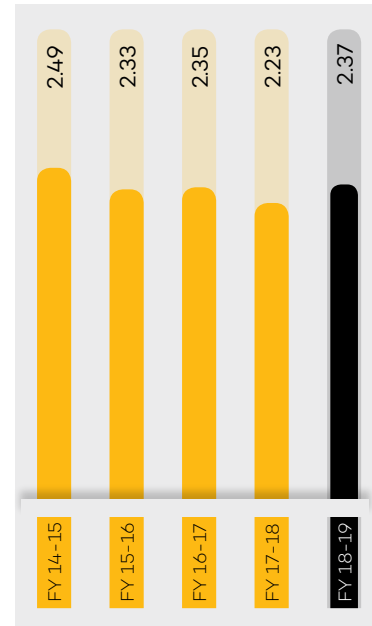


Current Ratio



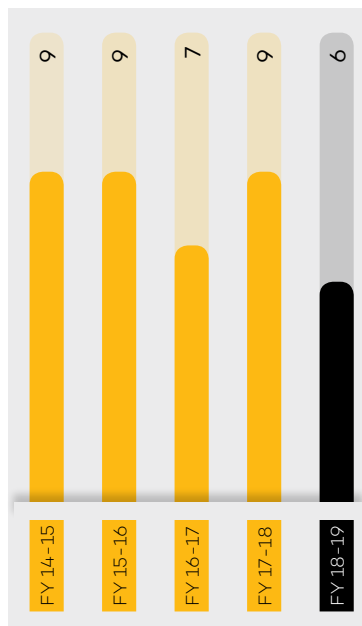
Turnover on Capital Employed

(₹ in million)



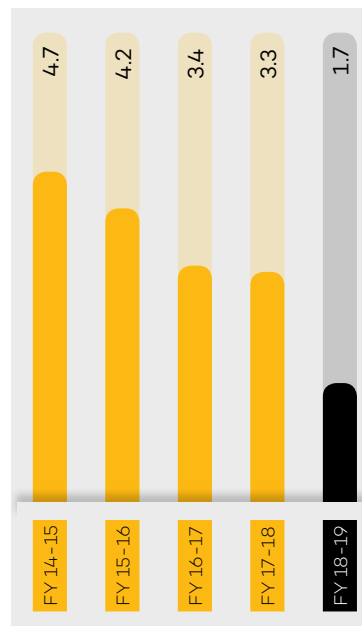
EBITDA

(%)



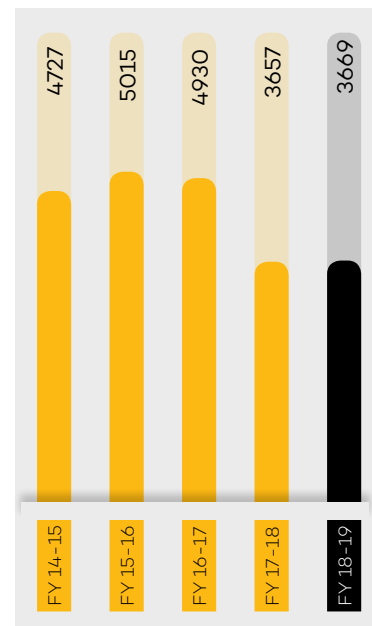
EPS

(₹)



Debt

(₹ in million)



Board of Directors



K L Chugh,
Chairman



Mahendra Agarwal,
Founder & CEO



N Srinivasan,
Director



P Sudhakar Reddy,
Director



Sunil Alagh,
Director



P N Shukla,
Director



Yasuhiro Kaneda,
Director



Sheela Bhide,
Director



Savita Date Menon,
Additional Director



Sushil Jiwaraajka,
Additional Director



For more details
scan the QR Code

Express Distribution



Express Distribution

Gati-Kintetsu Express Private Limited (Gati-KWE) is an unparalleled player in Express Distribution and Supply Chain Solutions, determined to make their customers' business always 'Ahead in reach' while partnering with them to elegantly customize the delivery offering. We are engaged in providing multi-mode services to our customers in the form of air, surface and rail. This helps us to provide each of our customers an integrated, seamless and cost-effective solution right from the planning, transportation, routing till delivery.

Key Strengths

- **16** Express distribution Centers and **61** Gati-KWE distribution Warehouses working in a **hub and spoke model** to ensure on time and seamless delivery at destination.
- **More than 5000 vehicles** across the country help us deliver every shipment in a time-definite period and helps us to stay ahead in reaching translating to give our customers the competitive edge.
- A **well-developed wide network** and an **optimized route planning system** enables disciplined delivery & in being a highly efficient express cargo delivery company.
- **24/7/365 service level monitoring system** that ensures safety, security and on time delivery.
- **24x7 customer care center** that provides support for every query.
- **Online** tracking, capital and e-mail updates of your shipment in transit.
- Multi-modal connectivity to **21000+** pin codes
- Unparalleled reach to **99%** districts of India
- **Quick & trusted** Claims process
- **Designated space** with leading airlines
- **Cost-effective** Logistics services
- **State-of-the-art** tracking services

