



DELIVERING 2,40,000 PACKAGES EVERY DAY



Gati's Vision

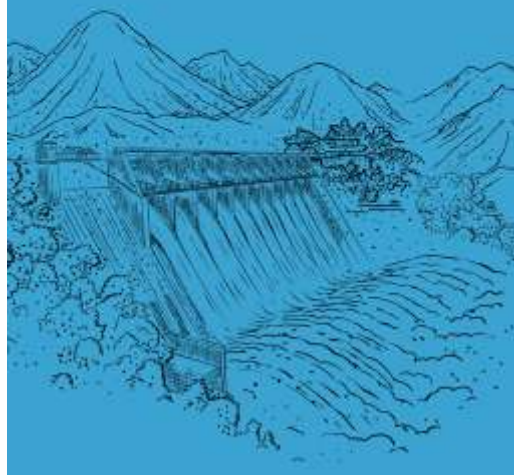
- Be a globally preferred provider of India-centric Supply Chain Services and Solutions and a leader in the Asia Pacific region.
- Delight customers with quality service by setting new trends through innovation and technology.
- Be the most preferred organisation for all stakeholders.
- Be a responsible corporate citizen with unwavering commitment to environmental protection and conservation.

How Gati creates value

Our Behaviour

Sensitive Streamlining

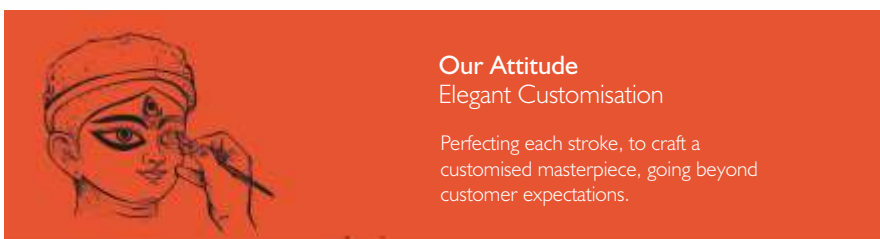
Our strength lies in organised teamwork, and generating a smooth flow of cost-efficient and exceptional output. thereby fortifying our leadership status.



Our Attitude

Elegant Customisation

Perfecting each stroke, to craft a customised masterpiece, going beyond customer expectations.



Our Action

Domino Discipline

Creating a flawless chain of actions that form an elegant technique of achieving customer satisfaction.



Our Delivery Promise

Ahead in Reach

Always staying ahead of the game, through our reach, determination and performance.





What's in this report

What you will see in this report through various sections are Gati's integrated annual report for FY 2014-15 comprising of two important elements i) non financials & intangibles involving our strategies, leadership, management initiatives & sustainable practices and ii) financial performance.

Content of the report includes statutory reporting as well as voluntary disclosures and analysis by the management on how we create value through people, processes and technology.

Table of Content

3	25 Years of Gati	66	Auditors' Report on Standalone Financial Statements
6	Founder & CEO's Message	70	Balance Sheet
8	About Gati	71	Statement of Profit & Loss
10	Key Performance Indicators	72	Notes to the Financial Statements
12	Key Business Verticals	86	Cash Flow Statement
16	Overview - IT & CSR	88	Auditors' Report on Consolidated Financial Statements
21	Notice	90	Consolidated Balance Sheet
30	Directors' Report	91	Consolidated Statement of Profit & Loss
52	Report on Corporate Governance	92	Notes to the Consolidated Financial Statements
62	Management Discussion & Analysis	112	Consolidated Cash Flow Statement

Disclaimer

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include input cost and other factors relating to the Company's operations.

Journey of Brand Gati



Overview

25 Years of Gati

The year 2015 is a momentous milestone in our history as we celebrate our 25th anniversary.

In 1989 Gati began with boutique services and evolved itself to be the pioneers in express distribution and supply chain management in India. Gati became the trendsetter in the logistics industry in India and was one of the first companies to print its delivery date on the docket and offer money back guarantee. Gati is also the first logistics company to launch payment only after producing proof of delivery (POD) and a myriad of services that are industry benchmarks today.

Throughout its journey, the company has maintained its commitment to deliver the brand promise of being ahead in reach and thereby sustaining growth. Gati in Sanskrit implies, speed with direction and the company has imbibed and ingrained this in its way of operation. Over the years, the company has proven its ability to operate in complex markets with a variety of interlinked services and a wide network. Today Gati is a pioneer in express distribution and supply chain management with deep roots in niche areas of operations such as e-Com logistics, cold chain operations and other value added services.

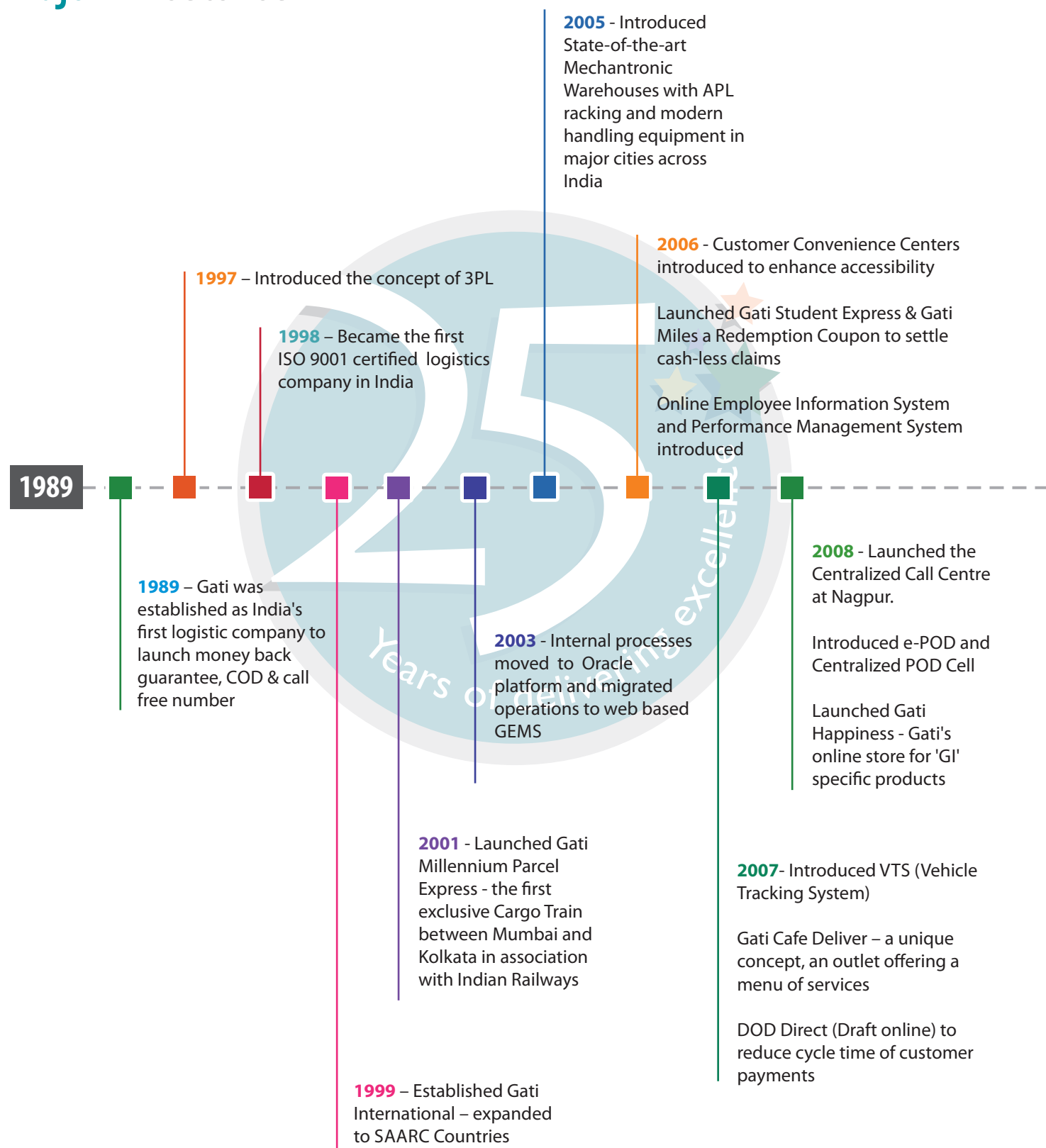
India as a country is taking giant leaps towards being a

global economic leader and Gati is well poised to be one of the change agents to fuel this growth. As the nation stands on the threshold of realising the "Great Indian Dream", the company feels only pride for being a true Indian multi-national that is committed to realising this goal. The future holds tremendous possibilities for the logistics industry and Gati in particular with e-Commerce emerging as a game changer. Gati e-Connect is today delivering a CAGR of more than 100%, adding great value to the business. The company's services for the last mile delivery and a slew of other value added services position it as an end-to-end service provider for e-Commerce companies in India and abroad.

The greatest assets that the company has today are its people. Some of them have been a part of this journey right from the beginning and have shown tremendous commitment and dedication in taking Gati from a humble beginning to being the most coveted brand in the logistics industry.

Overview

Major Milestones



2010 - Gati's first step towards becoming an integrated Supply Chain Solutions provider

2012 Gati signed a Joint Venture agreement with Kintetsu World Express for its Express Distribution and Supply Chain business

2015

2014 : Completed 25 years.

Gati Kausar raised growth fund of Rs.150 crores for construction of warehouses from Mandala Capital

Gati moved to its owned corporate office in Hitech City

2009 - Launched 10C, a solution for information on real time shipment delivery notification

Introduced SQS (Service Quality Standardization)

Awards & Recognitions



Top Assessee of Service Tax

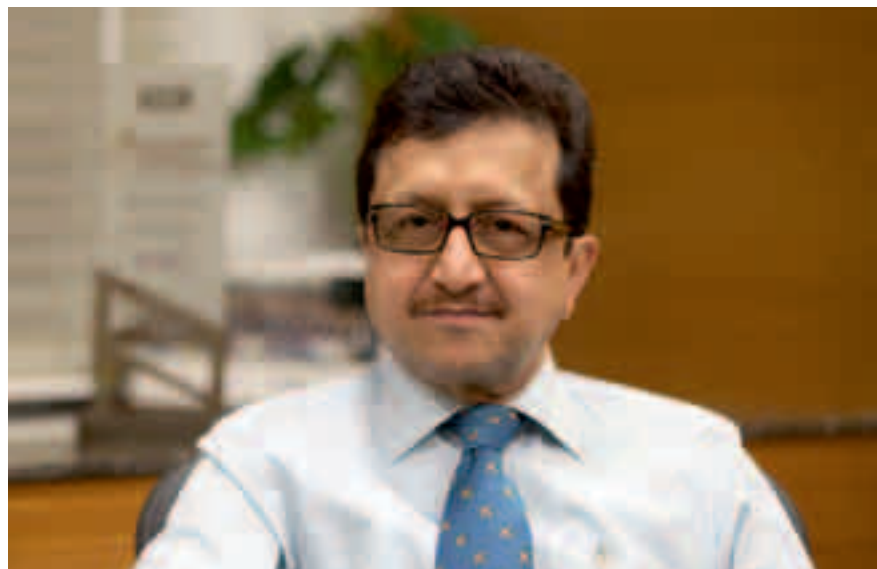
YEAR	AWARD BY	AWARD
2015	Committee of Commissioners, Hyderabad	Top Assessee of Service Tax
2015	Dataquest Business Technology Awards	Category - Mobility
2015	Centre of Recognition and Excellence	CIO Power List 2015 Mr. G. S. Ravi Kumar - Logistics Icon
2014	36th PRSI National CSR Award	Best CSR Project for Sustainable Development
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
2014	8th ELSC Conclave	ELSC Company of the Year Supply Chain Innovation of the Year Best Road Service Provider of the Year
2013	Logistics & Supply Chain Leadership Awards	Best Road Service Provider of the Year



ELSC Company of the Year

Overview

Founder & CEO's Message



initiatives that revolutionised the business of logistics. Our achievements have been, time and again, recognised by industry forums, peers and most importantly our customers.

While achieving various milestones during the last 25 years, we learned a great deal about fulfilling management commitments, formulating growth strategies, outmanoeuvring challenges, technology adoption and building stronger relations.

Delivering Performance

Notwithstanding the macro-economic challenges in the recent years, Gati's financial performance was significant with an annual CAGR of 15% in the last 10 years. On the 25th year of our company the Board of Directors has declared a special dividend of 30%. We also successfully floated a commercial paper through our joint venture company Gati-Kintetsu. The company's cold chain division - Gati Kausar's expansion plans are in full swing after the infusion of the private equity by Mandala Capital.

The financial results in 2014-15 confirmed the effectiveness of Gati's business model and reflected on the operational excellence that fuelled the company's growth. I am pleased to inform you that during FY 14-15, on most of the key performance indicators, our achievements are close to the guidance we had given. The Gati group generated a revenue of 1,662 crores, up by 14% from last year through resource optimisation and a keen eye on the emerging opportunities in the industry. Our annualized EBITDA grew by 29% and PAT grew by 59%.

Our express distribution business, the largest business vertical within the group, has increased its delivery

"The hallmark of FY14-15's performance has been the growth of our last mile delivery services to the e-Commerce companies, that posted a growth of 164% over the previous year"

Dear Shareholders

The FY 14-15 marked the silver anniversary for Gati. On Nov 14, 1989 we flagged off the first Gati truck from Hyderabad to Madras. That was the first step towards a dream of revolutionizing the logistics and transport industry which was then considered as a disorganised sector. The journey so far has been marked with tremendous challenges that were thrown at us, every step of the way. But every Gatiite has stood firm and strong and helped Gati shape the express cargo and logistics industry in India, and firming its position as the undisputed pioneer and leader.

Over the years we have set the benchmark for ourselves and the industry by working hard with an unwavering focus on customer service and quality. We pioneered the concept of a third party logistics service provider; launched the first exclusive Cargo Train between Mumbai and Kolkata in association with Indian Railways; introduced mechanized racking systems in automated warehouses and many more of such

capabilities from 60 million in the last year to nearly 70 million packages in FY14-15. The total fleet size, has crossed 5,000. We have also held on to the yield despite a significant drop in diesel price through our strong client relationships, new client acquisitions and by improving operational efficiencies.

Emerging Opportunities

The hallmark of FY14-15's performance has been the growth of our last mile delivery services to the e-Commerce companies, that posted a growth of 164% over the previous year. Leveraging our extensive express logistic network, strong e-fulfilment capabilities and innovative supply chain solution, we are ready to ride on the rapid growth of the e-Commerce industry. To further increase the strategic advantage in this vertical, we have commissioned 2 more eFCs in FY14-15 at Chennai and Jaipur. This is apart from the 3 eFCS in Delhi, Mumbai & Hyderabad.

Our cold chain division - Gati Kausar is a prominent player in the fast emerging Indian cold chain industry. The strength of the company lies in its state-of-the-art temperature controlled, integrated transport and storage facilities. During the year under review we have added 24 reefer vehicles to the existing fleet of 200. We have also commenced work on our first cold warehouse near Gurgaon. Indian Cold Chain industry is expected to grow at a CAGR of ~28% over the next 4 years and projected to reach a market size of 50,000 crores in 2017. Gati Kausar is well positioned to capitalise on this emerging opportunity.

Our Operational & IT Strategies

Our performance over the years is a testimony to the many years of investment in our people and in a

wide range of IT capabilities for achieving operational excellence. Going forward, we will continue to emphasise on growth through talent management and technology adoption, which are the two key differentiators for us. On the operations front, our focus remains on network expansion to stay ahead of the curve and continue to deliver on our promise of uncompromised service quality.

In FY14-15 the company employed IBM's Sterling Commerce Suite, to help online retailers meet the rising consumer demand for efficient delivery of products.

Building Sustainable Communities

Corporate Social Responsibility is an integral part of our business model and we are committed to fulfilling our responsibilities as a member of the society. We as a group continue to contribute towards the field of education, livelihood and environment. Our key initiatives have been providing assistance in constructing schools, helping natural disaster victims in sustaining their occupation and supporting the cause of green environment.

The Future

While the renewed economic initiatives such as "Make In India" are expected to boost the manufacturing activities, the success rate of it will remain vulnerable without a strong logistic support.

With the implementation of GST multiple level of taxation procedure will come down. Network and infrastructure related businesses would get drastically realigned, ensuring proximity to manufacturing locations or consumption centres and ultimately resulting in hub-and-spoke models. From the infrastructure

perspective, the new scenario would reduce the number of warehouses but will increase their sizes, leading to a consolidation of the currently widely spread warehouses across states. This would translate into expansion of some of the existing warehouses and development of new ones. The GST regime will see the emergence of the organized service providers since taxes will no longer be added costs for the businesses. Given the highly fragmented nature of the Indian transportation and logistics industry (the leading 10 listed firms command less than 5% of the overall market), implementation of GST is expected to unleash a plethora of opportunities for companies in the organized sector.

Let me conclude by reiterating the 4 pillars of our corporate value - attitude, behaviour, action and delivery promise. Ever remaining committed to our values has enabled us to be a partner of choice by our shareholders, customers and employees time and again. We are now ever so determined to only grow that trust.

Thank you for your continued support.



Mahendra Agarwal

Founder & CEO

Overview

About Us

Board Committees

Audit

N Srinivasan - Chairman
P S Reddy - Member
P N Shukla - Member

Nomination & Remuneration

P S Reddy - Chairman
K L Chugh - Member
P N Shukla - Member

Stakeholders Relationship

Sunil Alagh - Chairman
Mahendra Agarwal - Member

Corporate Social Responsibility

Sheela Bhide - Chairperson
P S Reddy - Member
Sanjeev Jain - Member

Statutory Auditors

M/s R S Agarwala & Co.
Chartered Accountants

Regd. & Corp. Office

Plot No. 20, Sy. No. 12
Kothaguda, Kondapur
Hyderabad - 500 084
Tel: 040 - 7120 4284
Fax: 040 - 2311 2318
Email: investor.services@gati.com
CIN: L63011TG1995PLC020121

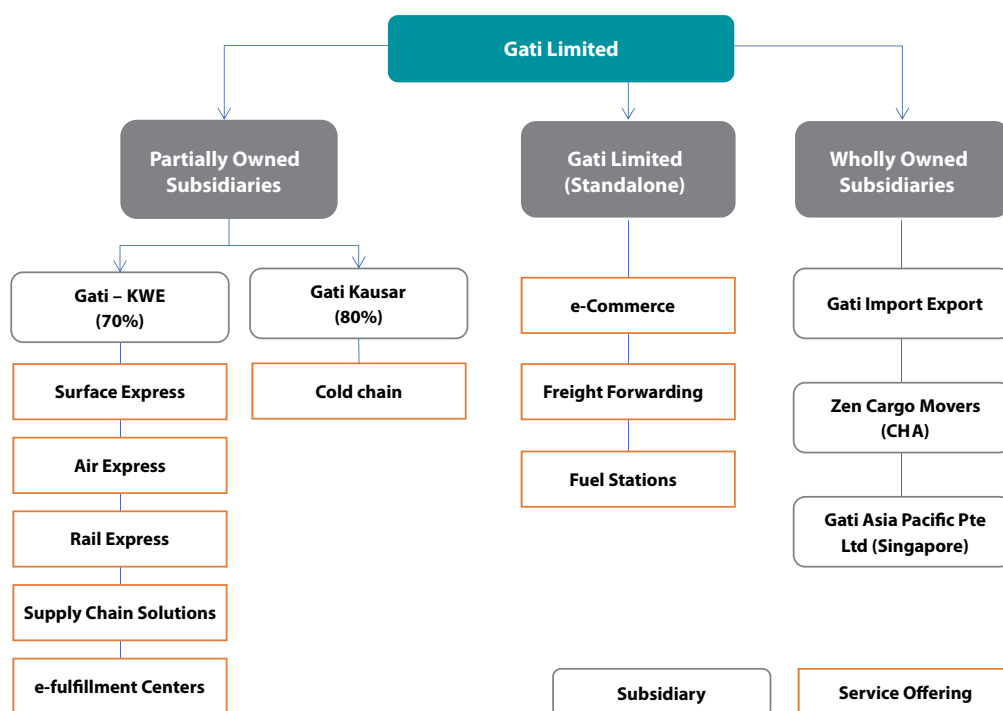
Bankers

State Bank of India
HDFC Bank
ICICI Bank
AXIS Bank
DCB Bank
South Indian Bank
Karur Vysya Bank
Syndicate Bank

Registrar & Transfer Agents

Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower B
Plot 31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad - 500 032
Tel: 040 6716 2222
Fax: 040 23001153
Toll Free: 1800-345-4001
Email: mohsin.mohd@karvy.com

Group Structure



People

5000 + Work force
3500 + Business Partners



Reach

135954 Delivery locations
99% districts in India