



DELIVERING 2,40,000 PACKAGES EVERY DAY



Gati's Vision

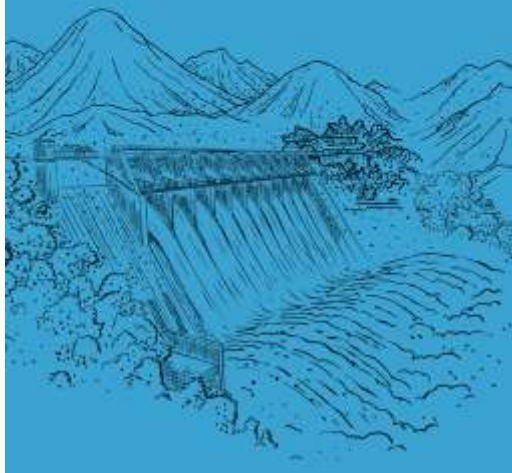
- Be a globally preferred provider of India-centric Supply Chain Services and Solutions and a leader in the Asia Pacific region.
- Delight customers with quality service by setting new trends through innovation and technology.
- Be the most preferred organisation for all stakeholders.
- Be a responsible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

How Gati creates value

Our Behaviour

Sensitive Streamlining

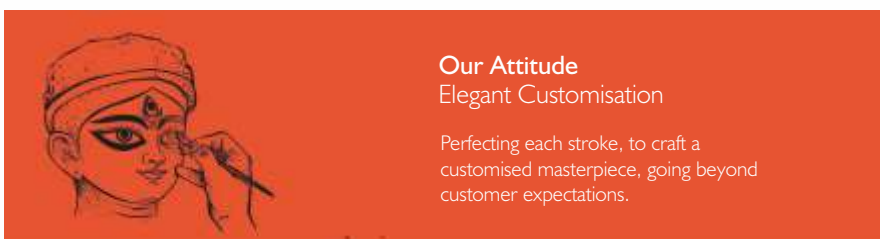
Our strength lies in organised teamwork, and generating a smooth flow of cost-efficient and exceptional output, thereby fortifying our leadership status.



Our Attitude

Elegant Customisation

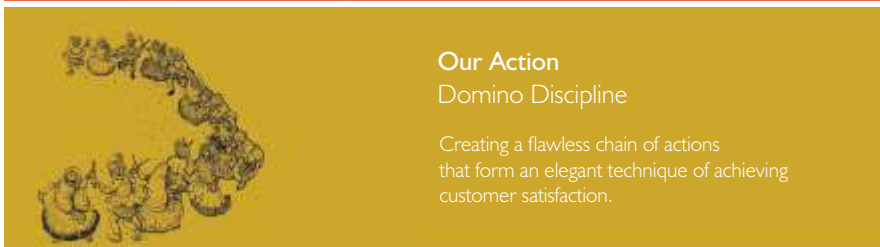
Perfecting each stroke, to craft a customised masterpiece, going beyond customer expectations.



Our Action

Domino Discipline

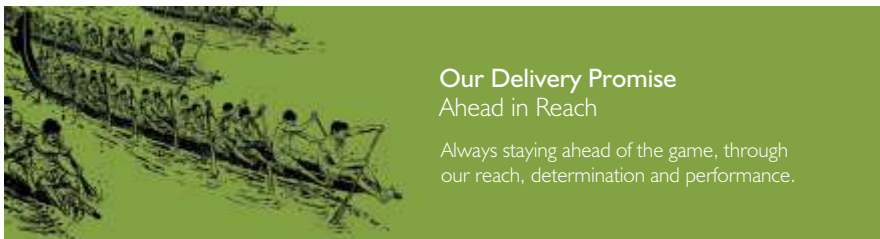
Creating a flawless chain of actions that form an elegant technique of achieving customer satisfaction.



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.

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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.

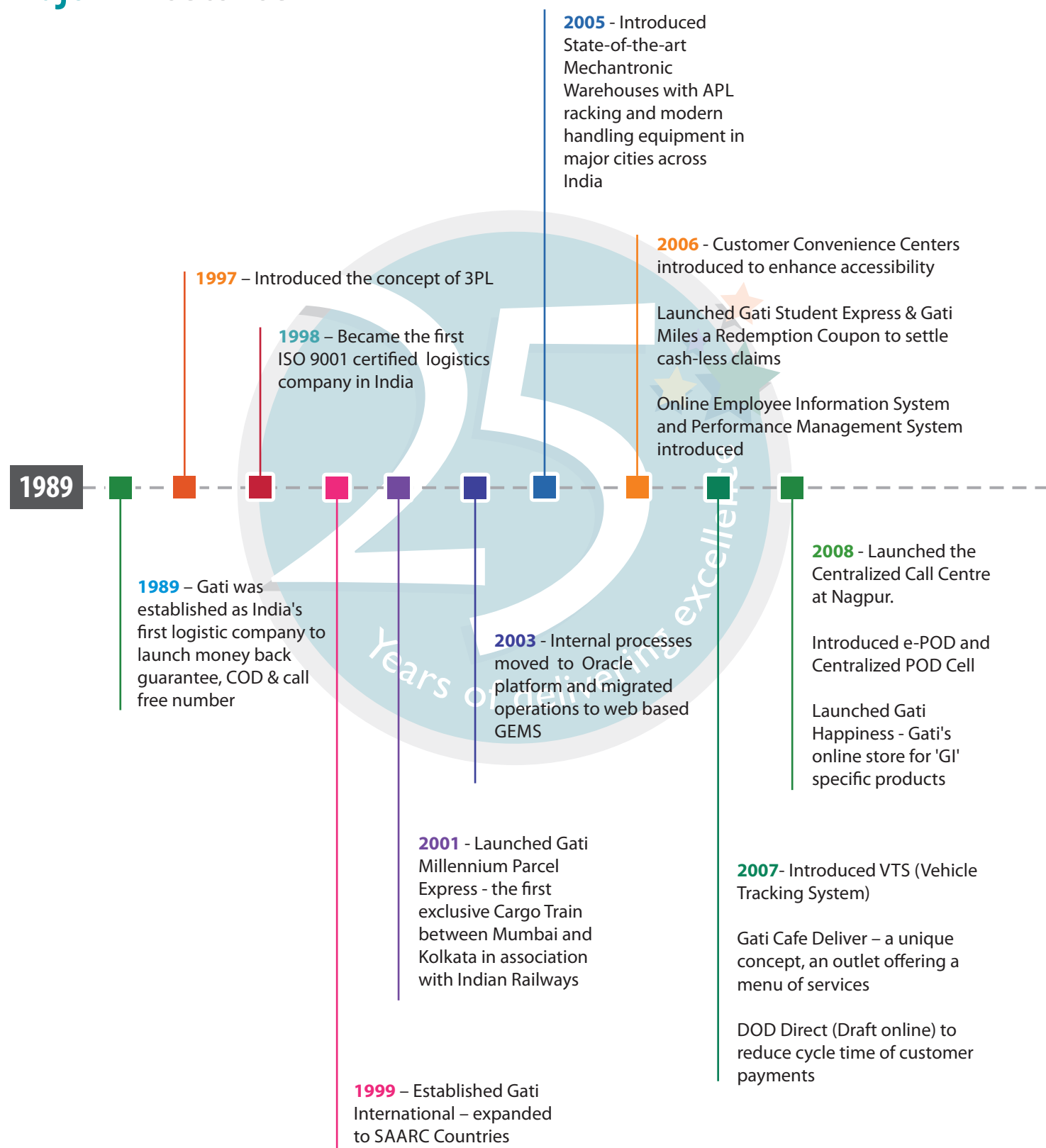
India as a country is taking giant leaps towards being a

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

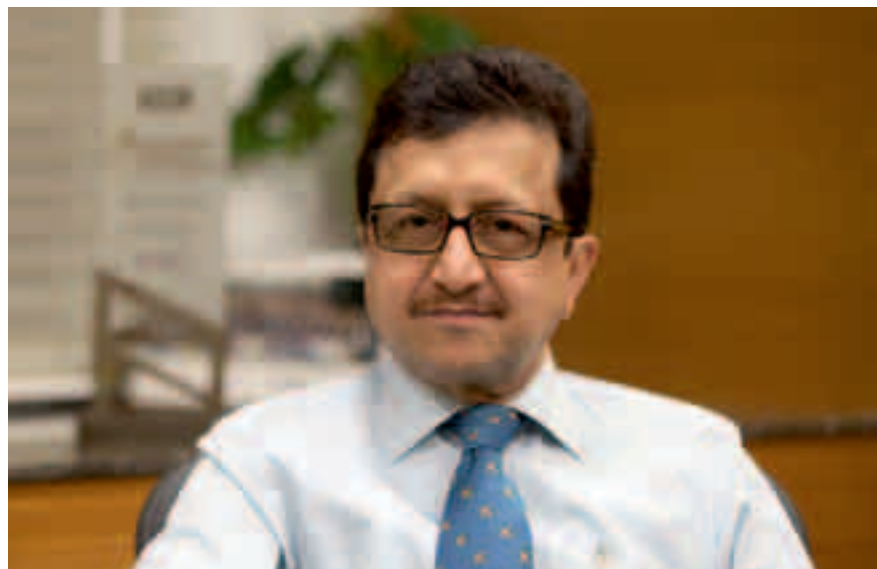
YEAR	AWARD BY	AWARD
2015	Committee of Commissioners, Hyderabad	Top Assessee of Service Tax
2015	Dataquest Business Technology Awards	Category - Mobility
2015	Centre of Recognition and Excellence	CIO Power List 2015 Mr. G. S. Ravi Kumar - Logistics Icon
2014	36th PRSI National CSR Award	Best CSR Project 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

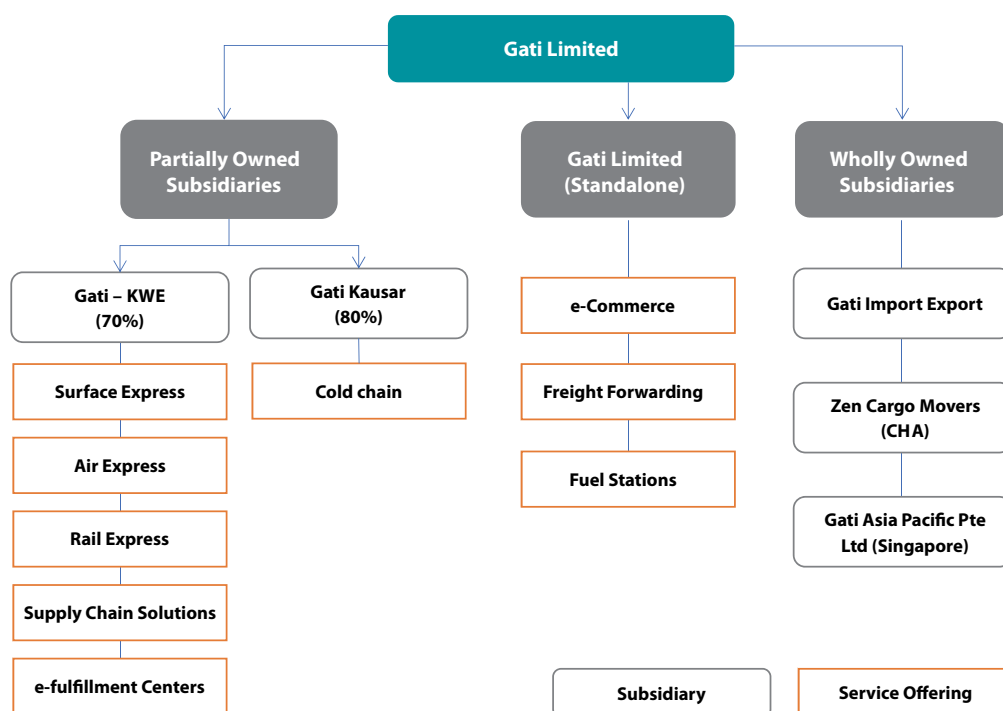
Bankers

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

Presence



Board of Directors

K L Chugh
Chairman

Mahendra Agarwal
Founder & CEO

N Srinivasan
Director

P S Reddy
Director

Sunil Alagh
Director

P N Shukla
Director

Yoshinobu Mitsuhashi
Director

Sheela Bhide
Director

Sanjeev Jain
Director - Finance

Key Managerial Personnel

Mahendra Agarwal
Founder & CEO

Sanjeev Jain
Director - Finance

Bala Aghoramurthy
President & Whole Time Director
Gati-Kintetsu Express Pvt. Ltd.

VSN Raju
Company Secretary, Chief Investor
Relations & Compliance Officer



Network

540+ Offices
5 e-Fulfillment Centers
3 million + sq ft warehousing space



Fleet Strength

5000 + Express Fleets
220 Reefer Trucks
1400 Last mile e-Com delivery fleet strength

Overview

Key Performance Indicators

(Consolidated)

REVENUE
+14%

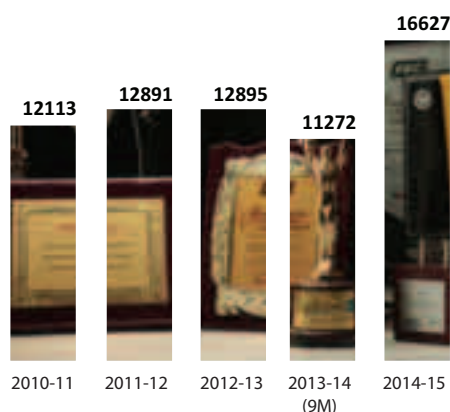
EBIDTA
+29%

PBT
+68%

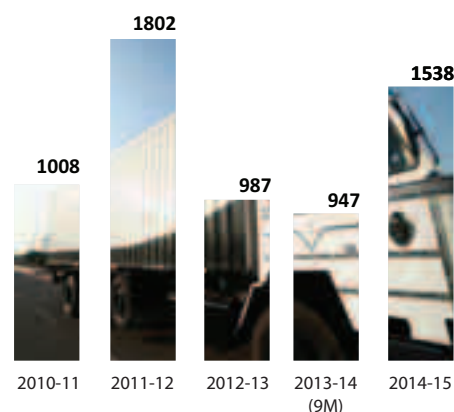
The financial results of 2014-15 confirmed the effectiveness of Gati's business model and reflected on the operating resilience of Gati. Despite a lacklustre GDP growth, with the persistent efforts to contain operating expenses, optimal use of resources coupled with capitalising on emerging opportunities, the Group generated a total income of Rs. 16,627 million up by 14% from last year.

Note: The growth percentages are over corresponding period of previous 12 months.

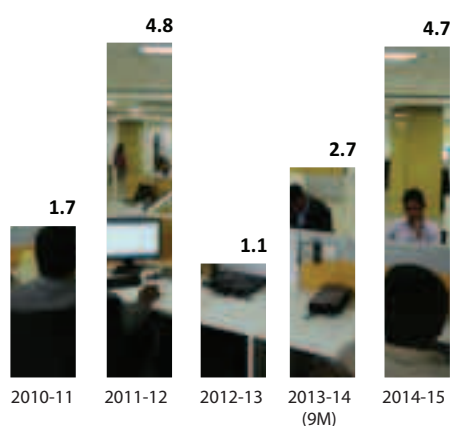
Total Income



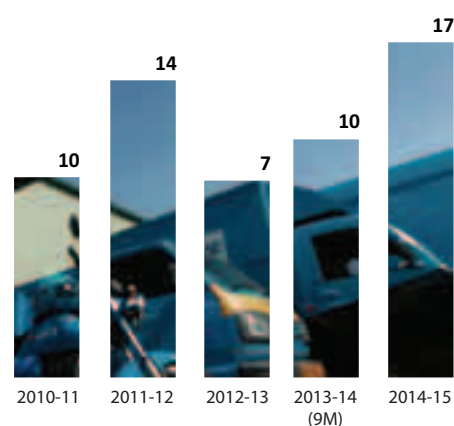
EBIDTA



EPS
(in Rs.)



RoCE
(in %)

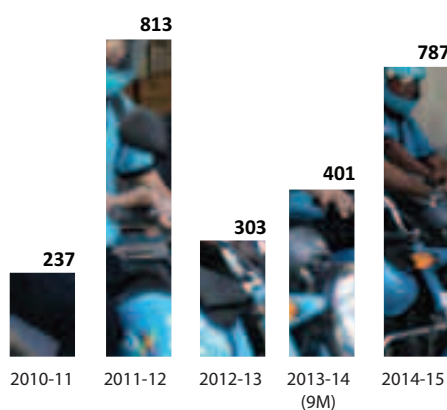


(Adjusted for goodwill)

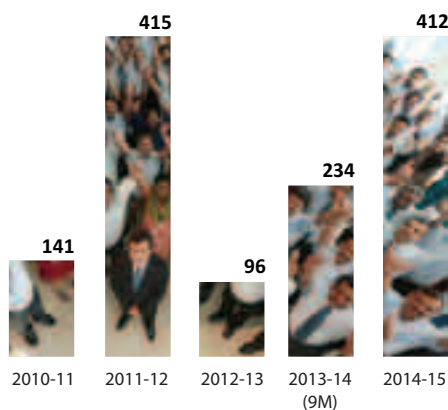
PAT
+59%

EPS
+36%

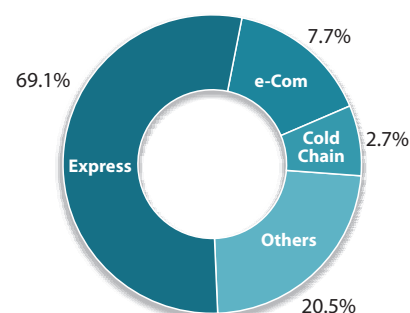
PBT
(Before exceptional item)



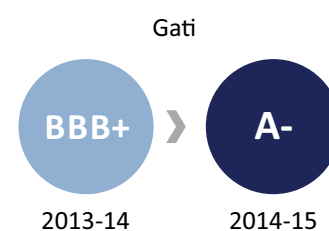
PAT



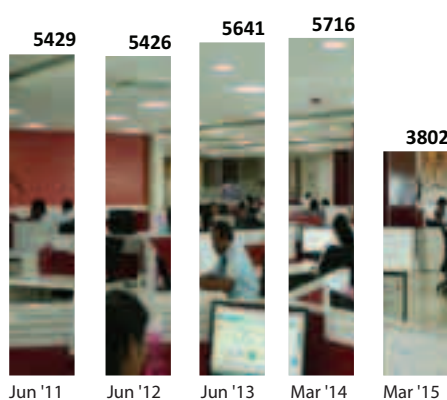
Revenue Break-up



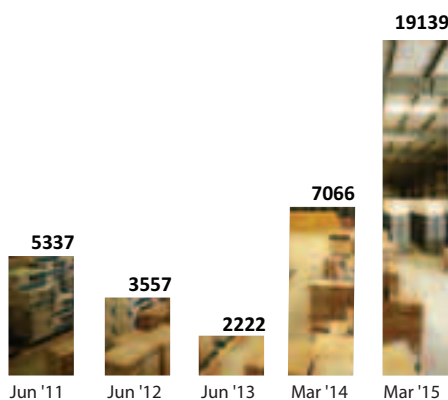
Credit Rating



Gross Block



Market Capitalization



*in Rs. Mn.

Strategic Review

Key Business Verticals



Express Distribution

The Express distribution and supply chain management business of the group is managed by Gati-Kintetsu Express Private Limited (Gati-KWE) a joint venture company between Gati Ltd and Kintetsu World Express -Japan's leading logistics provider. Gati-KWE's multi modal transportation service, unmatched reach, wide route network, well built infrastructure and strong technology ensures that every customer gets an integrated, seamless and cost effective solution right from planning, transportation, routing till delivery.

Key Strategies

To retain the leadership in Express Distribution Business Gati-KWE will continue to enhance its on-time delivery assurance. We will achieve this goal by increasing network, enhancing delivery mechanisms and by adoption of technology.

To provide integrated supply chain solutions and improve supply chain efficiencies of our clients, Gati-KWE will partner with clients to identify cost –benefit opportunities that drive value for their business. We achieve this by addressing critical operational constraints, freeing up working capital, improving the flow of information and reforming business processes in order to deliver sustainable competitive advantage.





Gati e-Commerce

e-Commerce logistics services is the fastest growing business vertical for Gati . Between FY2011-12 and FY14-15 this segment maintained a CAGR of more than 100%. In FY14-15 the average number of packages delivered per month has grown to 40,000. In FY 14-15 business grew by 164% year-on-year. Last mile delivery which is the mix of bikers, drivers and e-com franchises has grown to 1,400. At the moment e-commerce deliveries are available in 20,000 pin codes. The company has aggressively commenced reverse logistics in FY14-15. At present there are 5 fully-functioning e-FCs with a total area of 1.8 million sq feet that are equipped to handle supply chain management for multiple e-commerce companies.

Key Strategies

Sustaining and increasing profitable growth of e-Com logistics services through customer focus, services backed by IT solutions and trusted delivery.

In doing so we will aim for continued cooperation across the business segments, to seize sales and operating synergies, by integrating into our express distribution backbone.

We will continue to invest in our most important assets – our people, infrastructure and technology.



Strategic Review

Key Business Verticals



Gati's cold-chain subsidiary, Gati Kausar, provides cold-chain solutions. 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 for agriculture produces, processed food and other temperature sensitive products. During 2014-15 the company added 24 reefer vehicles to the existing fleet of 200. Company has also commenced work on our first cold storage near Gurgaon.

Key Strategies

Becoming a prominent player in the fast emerging Indian cold chain industry by providing state-of-the-art temperature controlled integrated transport and storage facilities for agriculture produces, processed food and other temperature sensitive products.

Achieving leadership in the cold chain segment by enhancing our networks, infrastructure, technology and customer base.

Following the Good Distribution Practices (GDPs), industry standards and regulatory norms to maintain product quality, safety and efficacy during distribution.

Interact closely with the existing and potential cold chain users for mutually beneficial knowledge exchange and valued added selling.





Supply Chain Solution

Gati's supply chain solution offers an integrated supply chain service to businesses across industry verticals. The company is equipped to handle customised as well as complex end-to-end integrated logistics solutions. Gati is in a unique position to partner with clients to identify cost benefit opportunities that drive value into their business and achieves this by driving synergy from its varied business units. Our analysis and subsequent solution is presented after addressing critical operational constraints, freeing up working capital, improving the flow of information and reforming business processes in order to deliver sustainable competitive advantage for our clients. Gati offers three services under this vertical.

3PL & Contract Logistics Services: We link multiple logistics and supply chain services, customize them to

meet specific needs, and manage the integrated solution supported by our platform. The capabilities range from automotive spares management for vehicle on road solutions, retail supply and demand management for on-shelf availability to enhance the customer buying experience across the full order to cash cycle.

e-Fulfilment Centres: One of the earliest to spot the opportunity, our solution covers the entire gamut of operations linking Distribution, both from vendors to FCs and FCs to end consumer, to Fulfilment centre related activities. Within the ambit of Fulfilment centre, we provide services including but not limited to site identification, designing appropriate Warehouse Layout, installing ideal racking solutions and finally managing both information and product flow. We went ahead of the curve on technology by investing

in user friendly and world class OMS & WMS package, Sterling Commerce by IBM. This gives us the distinct advantage of not just dealing with well established e-Commerce companies but also small vendors.

Upstream SCM services: We offer upstream supply chain services like procurement management and order management to seamlessly engage with logistics. Under this, our Import / Export Trading Wing enables integration for international & domestic suppliers to the primary, secondary & tertiary sales channels. We act as an international / domestic buyer or domestic seller. This supports multi-brand retailers, new / regional companies aspiring to penetrate Indian market and organizations who have an outsourcing need.

Overview

Information Technology



Gati's IT Vision : “We promise to stay ahead in reach in technology by automating and simplifying the processes pro-actively and optimally to deliver value to our stake holders”

Technology powers logistics. Gati's efficient information technology backbone is one of its key differentiators in the industry. IT infrastructure in Gati provides real time operational visibility, status updates, data collection, wireless communication and mobile computing. Benefits of our cutting edge technology reflect on our customers as they realize increased productivity through greater control on their supply chains. Gati's pioneering IT capabilities include Gati Enterprise Management System (GEMS), Oracle Financials, Warehouse Management System, Human Resource Information

Systems(HRIS), Vehicle Tracking System (VTS), Mobile Applications, Business Intelligence Brief details of some of the key applications are:

GEMS: GEMS is a web based indigenous ERP specially developed for express distribution industry and has been enhanced to cater to eCom operations as well. GEMS is seamlessly integrated to WMS, financials and customer interface. GEMS has around 20 major modules taking care of key functions like pre-pickup, pickup, routing, loading/unloading, delivery, accounting, contract management, MIS, billing and customer service

and a host of other features handcrafted for the business.

VTS: VTS deployed by Gati tracks vehicles through transmission of GPS data (position, speed, direction etc). When presented in the logical manner, this data becomes information used to improve value to the customer by increasing the level of service provided through vehicles.

Mobile Applications: A unique solution rolled out using cost effective hand held devices that captures, delivery information, POD as well as provides location/pincode, receivable, sales report, loading and unloading of vehicles and e-commerce delivery biker tracking.

Customer Value adds: For providing greater Gati brand experience the company has a state of the art customer call center network and also provide auto SMS/email to customers on consignment status and a comprehensive options through a web account to get all details, reports etc., This is being strengthened by the introduction of new mobile application for the end customers.

Corporate Social Responsibility



Corporate Social Responsibility is an integral part of Gati's 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 environment and disaster management during natural calamities. 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. Gati also contributes in various ways for maintaining the environmental sustainability.

Gati's CSR Vision:

We envision a community of responsible and educated citizens who are environmentally conscious, practice social responsibility in their daily lives and inspire others to do the same.

We commit to operating in an economically, socially and environmentally responsible manner whilst balancing the interests of diverse stakeholders.

Gati Muskaan – Key Areas of Intervention

Education: Adoption of Govt Schools which encompass infrastructure development, providing tools for enhanced learning, aiding in providing a hygienic learning environment along with a focus on activities that foster overall physical and mental wellbeing.

Community: Gati organises multiple welfare events to reach out to those less privileged in the community. The organisation strongly believes in creating awareness about healthcare and enabling sustainability within the

community we live in.

Environment: Gati believes that the environment be used in a way that is sustainable. The company ensures that the use of natural resources will meet the present day needs for the resource without jeopardizing the supply of the resource for future generations.

Rural Development Projects & Donations: Rural development is a dynamic process and Gati's contributions include putting up of economic and social infrastructure, public health, education and functional literacy, communication etc.

Natural Disaster Management: Over the years Gati has built its capability and infrastructure to reach the remotest corners of India. The company leverages this to aid any region that has experienced a natural calamity by providing logistics support in collaboration with organisations that are conducting relief operations in the affected region.

Our **SOCIAL** Responsibility

Amount of Group Support for Community Services

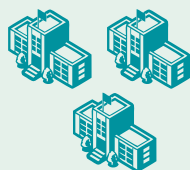
7.35
(Million Rupees)
2013-14

9.13
(Million Rupees)
2014-15

Gati Muskaan Key Social Impacts



7972 Students



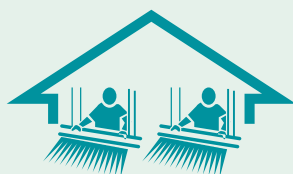
17 Govt Schools



25 Orphanages



100 Livelihoods



Rajoli Weavers Shed



J&K Floods Relief

Our **ENVIRONMENTAL** Responsibility

Ecological Preservation



Tree Plantation



Wildlife Adoption

IGBC LEED Green Certified (Gold) Corporate Office



GPS tracking of Gati Fleet enables saving fuel
by better managing time and route



19.5 tonnes of waste paper recycled



Gati – Muskaan : Key initiatives



April 2014

- Donation to Share India for Medical Research Project
- ITC WOW Project Solid Waste Paper
- 2 Vehicles given to HGTA for Drivers Training

May 2014

- Oxfam India MoU signed for the FY 2014-15
- MoU with Govt. Of Uttarakhand signed to construct GMCC, Rudrapur
- Sewing Machines Donation to KGNMT, Hyderabad

June 2014

- Clothes Donated to Goonj
- Notebooks donated to 16 Govt. Schools across India
- Tree Plantation Drive initiated across all office locations

July 2014

- Medical Camps at KGNMT, Hyderabad

- Awards to Students of Gati Govt. High School (Sports & Top Rankers)

August 2014

- Independence Day Celebrations at Rajoli Weavers' Shed
- P. D. Agarwal Meritorious Student Award
- Logistics Support to Freedom Ride 2014

September 2014

- P. D. Agarwal Blood Drive 2014
- J&K Flood relief intervention
- Sewing Machines Donation to ASDS, Rekhaipalli

October 2014

- DAAN UTSAV 2014
- Logistics Support to Hudhud cyclone in Vizag

November 2014

- 25 years celebrations "Swachh Gati Abhiyan"
- Children's Day celebrations in Govt. Schools across 16 EDC's

December 2014

- Donation to Orphanages
- Winter Blankets Distribution Drive

January 2015

- Adopt a Tiger in the Nehru Zoological Park, Hyderabad
- Swachh Bharat Abhiyan by Japan Chamber of Commerce

February 2015

- National Science Day celebrations at GGHS, Hyderabad
- Career Guidance program to the Class X of GGHS, Hyderabad

March 2015

- Gati Muskaan Celebrations across 25 orphanages in India
- Swachh Bharat Abhiyan at JBS, Secunderabad
- Computer donation to Govt. School in Bidar
- Donation to Saath Livelihood Services



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



Yoshinobu Mitsuhashi
Director



Sheela Bhide
Director



Sanjeev Jain
Director - Finance

Notice

Notice is hereby given that the 20th Annual General Meeting (AGM) of the members of Gati Limited (the Company) will be held on Thursday, July 30, 2015, at 11:00 am, at Novotel Hyderabad Convention Centre, Novotel & HICC Complex, (Near Hitec City), P.O. Bag 1101, Cyberabad Post Office, Hyderabad – 500 081 to transact the following business:

Ordinary Business:

1. To consider and adopt:
 - a) the audited financial statements of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon; and
 - b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2015.
2. To declare final dividend on the equity shares.
3. To appoint a Director in place of Mr. Sanjeev Jain (DIN: 05325926), who retires by rotation, and being eligible offers himself for re-appointment.
4. a) To ratify the appointment of M/s. RS Agarwala & Co, Chartered Accountants (Firm Registration No. 304045E) as approved by Members at the 19th Annual General Meeting as Statutory Auditors of the company, to hold office until the conclusion of 22nd Annual General Meeting, and to fix their remuneration for the financial year ending March 31, 2016.
- b) To appoint branch auditors

“RESOLVED THAT pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), as amended from time to time, the Board be and is hereby authorized to appoint as Branch Auditors for any branch office of the Company, whether existing or which may be opened / acquired hereafter, outside India, in consultation with the Company’s Auditors, any person(s) qualified to act as Branch Auditors within the provisions of Section 143(8) of the Act and to fix their remuneration.”

Special Business:

5. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT Ms. Sheela Bhide, (DIN: 01843547) who was appointed as an Additional Director with effect from August 6, 2014 on the Board of the Company in terms of Section 149, 152, 160 and 161 of the Companies Act, 2013 and Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing her candidature for the office of Independent Director, be and is hereby appointed as an Independent director of the company, to hold office as such for a period of 5 (five) consecutive years, with effect from the date of appointment of additional director and that she shall not be liable to retire by rotation.”

6. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to Sections 196, 197, 198, 203 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 including any statutory modifications or re-enactments thereof and subject to such consents and approvals from any authorities, as may be necessary, from time to time, the company hereby approves the re-appointment of and remuneration payable to Mr. Sanjeev Jain (DIN: 05325926) as Whole Time Director and CFO (Key Managerial Personnel) of the Company, designated as “Director - Finance” for a period of three (3) years with effect from July 1, 2015 as per the terms and conditions as stated in the explanatory statement to this resolution, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any committee which the Board may constitute to exercise powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of appointment and/or remuneration as may be agreed to between the Board and Mr. Sanjeev Jain, subject to the provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT the remuneration as stated in the explanatory statement to this resolution, shall be paid and allowed as minimum remuneration to Mr. Sanjeev Jain during the currency of his tenure as Director-Finance, notwithstanding the absence or inadequacy of profits in any financial year.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the resolution passed at the Extraordinary General Meeting of the Company held on November 29, 2011 and the provisions of Section 180(1)(c) of the Companies Act, 2013, the consent of the Company is hereby accorded to the Board of Directors of the Company to borrow any sum or sums of money from time to time, on such terms and conditions and with or without security as the Board of Directors may deem fit from banks, financial institutions or any other kind of lenders notwithstanding that the money or money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not so set aside for any specific purposes, provided however that the total amount so borrowed and remaining outstanding at any particular time shall not exceed Rs. 500 Crores.”

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

8. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to the resolution passed at the Extraordinary General Meeting of the Company held on November 29, 2011 and the provisions of section 180(1)(a) and

other provisions, if any, of the Companies Act 2013, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to mortgage or charge all or any part of immovable or movable properties of the company, where so ever situated, both present and future, and whole or part of the undertakings of the Company of any nature and kind whatsoever and/or creating a floating charge in all or any immovable properties of the company together with the powers to takeover the managements of the business and concern of the company, in certain events, to or in favour of banks, financial institutions any other lenders to secure the amount borrowed/to be borrowed by the Company from time to time for the due payment of the principal monies together with the interest and other charges payable by the company in respect of such borrowings, provided however that the total amount so borrowed and remaining outstanding at any particular time which will be secured by such charge/mortgage shall not exceed Rs. 500 Crores."

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 14 and all other applicable provisions of the Companies Act, 2013 and the Rules made there under including any statutory modifications(s) or re-enactment thereof, for the time being in force, the draft form of the regulations contained in the Articles of Association submitted to this meeting, be and are hereby approved and adopted in substitution and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the any one of the Directors and the Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds and things and to take all such steps as may be necessary for the purpose of giving effect to this resolution."

By order of the Board of Directors
for Gati Limited

Hyderabad,
April 28, 2015

VSN Raju
Company Secretary
M. No. A11701

Registered & Corporate Office:
Plot No.20, Survey No.12
Kothaguda, Kondapur,
Hyderabad-84
Tel: +91 040-7120 4284
Fax: +91 040-2311 2318
CIN: L63011TG1995PLC020121
Website: www.gati.com
Email: investor.services@gati.com

NOTES:

1. **A member entitled to attend and vote at the annual general meeting (the "meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the company. The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. **The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means.** Instructions and other information relating to e-voting are given in this Notice under Note No. 29. The Company will also send communication relating to e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members, separately.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days' written notice is given to the Company.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Shareholders are requested to bring their copy of annual report to the Meeting. In accordance with the provisions of the Companies Act, 2013 & SEBI Guidelines, only abridged standalone and consolidated annual accounts for the financial year ended March 31, 2015 are circulated. Any member desirous of having a copy of detailed accounts may apply to the Company and copies thereof will be available for reference at the venue of the Meeting.
6. Members are requested to bring their attendance slip along with their copy of Annual Report to the meeting. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Brief details of Directors seeking re-appointment / appointment at the Annual General Meeting scheduled to be held on July 30, 2015 (Pursuant to Clause 49 of the Listing Agreement) forms part of the notice.
8. The Register of Members and Share Transfer Books will remain closed from July 23, 2015 to July 30, 2015 (both days inclusive).
9. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

10. The members who have not surrendered their old share certificates (Issued by the then M/s. Transport Corporation of India Limited, now known as TCI Industries Ltd., the transferor Company, under the Scheme of Arrangement) are requested to surrender their old share certificates to M/s. TCI Industries Limited, Mukesh Textile Mills, NA Sawant Marg, Colaba, Mumbai – 400 005 to obtain their new share certificates of four companies including this Company.
11. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members may contact the Company or Registrar and Share Transfer Agent of the Company, for assistance in this regard.
12. Final Dividend on equity shares as recommended by the Board of Directors for the financial year ended March 31, 2015, if approved at the meeting, will be paid within the stipulated time:
 - a) To those members whose names appear on the Company's register of members, after giving effect to all valid share transfers in physical form lodged with Karvy Computershare Private Limited, Registrar and Share Transfer Agent of the Company on or before July 23, 2015.
 - b) In respect of shares held in electronic form, to those whose names appear in the statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on July 23, 2015.
13. a) The members who are holding shares in physical form are requested to intimate any change in their address with pin code immediately either to the Company or to the Registrar & Share Transfer Agent.
 b) The members who are holding shares in demat form are requested to intimate any change in their address with pin code immediately to their Depository Participants.
14. Non-Resident Indian Members are requested to inform Karvy, immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) 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.
15. Pursuant to the provisions of Section 205C of the Companies Act, 1956 the Company has transferred the unpaid or unclaimed dividends for the financial years upto 2006-07 from time to time on due dates, to the Investor Education and Protection Fund (IEPF) established by the Central Government. Further, the dividend for the financial year ended June 30, 2008, and thereafter, which remains unpaid or unclaimed for a period of seven years will be transferred to the IEPF. Shareholders who have not encashed their dividend warrant(s) so far for the financial year ended June 30, 2008 or any subsequent financial years are requested to make their claim to the office of the Registrar and Share Transfer Agents, M/s Karvy Computershare Pvt. Ltd.
16. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 5, 2014 (date of last Annual General Meeting) on the website of the Company (www.gati.com), as also on the website of the Ministry of Corporate Affairs.
17. The Securities and Exchange Board of India (SEBI) vide circular ref no. MRD/DoP/CIR-05/2007 dated April 27, 2007, made PAN the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction. In continuation of the aforesaid circular, it is hereby clarified that for securities market transactions and off market/private transactions involving transfer of shares of listed companies in physical form, it shall be mandatory for the transferee(s) to furnish a copy of their PAN card to the Company / RTAs for registration of such transfer of shares.
18. The Ministry of Corporate Affairs, Government of India (vide its circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' by allowing paperless compliances and recognizing delivery of Notices / Documents / Annual Reports, etc., to the shareholders through electronic medium. In view of the above the Company will send Notices / Documents / Annual Reports, etc., to the shareholders through email, wherever the email addresses are available; and through other modes of services where email addresses have not been registered. **Accordingly, members are requested to support this initiative by registering their email addresses in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrar and Transfer Agent, M/s. Karvy Computershare Pvt. Ltd.**
19. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide members' facility to exercise their right to vote at the 20th AGM by electronic means and the business shall be transacted through e-voting services provided by National Securities Depository Limited (NSDL).
20. The facility for voting through ballot / polling paper shall be made available at the AGM, to all the members attending the AGM, who have not opted e-voting facility. Further, the members who have opted e-voting facility may also attend the AGM but shall not be entitled to cast their vote again at the AGM.
21. The Board of Directors of the company has appointed M/s dvm gopal & associates, Practising Company Secretaries, Hyderabad as Scrutinizer for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.
22. The login ID and password for e-voting is being sent to the members who have not registered their e-mail IDs with the Company / their respective Depository Participants along with physical copy of the Notice. Those 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.

23. 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, July 23, 2015. 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 avail the facility of e-voting / Poll.
24. 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 i.e. July 23, 2015, 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 or can vote through ballot paper to be downloaded from the Company's website www.gati.com.
25. The e-voting facility will be available during the following period:
Commencement of e-voting: From 9.00 a.m. (IST) on July 24, 2015. End of e-voting: Up to 5.00 p.m. (IST) on July 29, 2015.
26. The e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by NSDL upon expiry of aforesaid period.
27. The Scrutinizer, after scrutinising the votes cast at the meeting (Poll) and through e-voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.gati.com and on the website of NSDL www.evoting.nsdl.com. The results shall simultaneously be communicated to the Stock Exchanges.
28. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. July 30, 2015.
- 29. Instructions and other information relating to e-voting:**
 - Voting through electronic means**
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on July 24, 2015 (9:00 am) and ends on July 29, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 23, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Name of the company".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to esos@gati.com with a copy marked to evoting@nsdl.co.in

- B. In case a Member receives physical copy of the Notice of AGM for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy:
- (i) Initial password is provided as below in ballot form :
Electronic Voting Event Number (EVEN)
USER ID PASSWORD
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
 - (iii) Those members who are unable to cast their vote through evoting mechanism, may fill up the ballot form and submit the same in a sealed envelop to the Company Secretary, Gati Limited, Plot no.20, Sy. no.12, Kothaguda, Kondapur, Hyderabad - 500084, so as to reach latest by 5.00 pm on July 29, 2015. Ballot forms received thereafter will strictly be treated as if not received. In the event a member casts his votes through both the processes, i.e. evoting and ballot form, the votes in the electronic system would be considered and the ballot form would be ignored
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of July 23, 2015.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. July 23, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. 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 avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mr. DVM Gopal, Practicing Company Secretary (Membership No.6280) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.gati.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges.

30. Details of the Directors proposed to be appointed at the AGM Scheduled to be held on July 30, 2015, (Pursuant to Clause 49 (VIII)(E) of the Listing Agreement) is given below:

Name of the Director	Ms. Sheela Bhide	Mr. Sanjeev Jain
Qualification	Doctorate in International Trade from the Institute of International Studies, Geneva and a Master's degree in Economics from George Mason University, USA. Ms. Sheela holds a Master's degree in Public Policy Administration (MPA) from John F. Kennedy School of Government, Harvard University, USA. She joined the Indian Administrative Service in 1973.	Master's Degree in Commerce from DAV College, Dehradun and a qualified Chartered Accountant
Expertise in specific functional areas	Ms. Sheela Bhide has over 36 years of experience as a civil servant and has served in various government bodies and ministries such as Chairman and Managing Director of India Trade Promotion Organization, Ministry of Commerce, Government of India (GoI), Special Secretary and Financial Advisor in Ministry of External Affairs (GoI), Additional Secretary and Financial Advisor in Ministry of Defence (GoI), Joint Secretary in Ministry of Corporate Affairs (GoI), Principal Secretary Finance, Government of Andhra Pradesh and Principal Secretary, Industries and Commerce, Government of Andhra Pradesh.	Mr. Sanjeev Jain has over 25 years experience in finance and accounting, audit, merger and acquisitions, business restructuring and transformation, and has served in a number of key financial positions across industry and business verticals ranging from telecom, logistics and fertilizers. Prior to joining the Company, he was CFO of AFL- FedEx Limited from September 2007 to June 2011, and Global Head-Management Assurance services at Tata Communication Limited.
Date of appointment on the Board of the Company	06.08.2014	01.07.2012
Details of Shares held in the Company as on 31.03.2015	Nil	Nil
List of Companies in which outside Directorships held as on 31.03.2015	Suryodaya Micro Finance Pvt. Ltd., L & T Metro Rail (Hyderabad) Ltd., Gati-Kintetsu Express Private Ltd., Rane Holdings Ltd., Bombay Dyeing and Manufacturing Company Ltd., Bombay Burmah Trading Corporation Ltd	Gati-Kintetsu Express Pvt. Ltd.
Chairman / Member of the Committees of other Companies on which he / she is a Director as on 31.03.2015	Member of Audit & CSR Committee and Chairperson of Nomination and Remuneration Committee of Gati-Kintetsu Express Pvt Ltd. Chairperson of Audit & Nomination and Remuneration Committee and Member of CSR Committee of Suryodaya Micro Finance Pvt. Ltd. Member of CSR Committee of Bombay Dyeing and Manufacturing Company Ltd., Chairperson of Audit Committee and member of Nomination and Remuneration Committee of L & T Metro Rail (Hyderabad) Ltd.	Member of CSR Committee & Nomination and Remuneration Committee of Gati-Kintetsu Express Pvt Ltd.
Category	Independent Director	Director-Finance (Executive)
Relationship with other Directors	Nil	Nil

Annexure to the Notice of the Annual General Meeting, as per Section 102 of the Companies Act, 2013.

Item no.4

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

- a) M/s. R S Agarwala & Co., (ICAI Firm Registration No.304045A), Chartered Accountants, Kolkata, were appointed as the statutory auditors of the Company for a period of three years at the Annual General Meeting (AGM) of the Company held on August 5, 2014.

As per provisions of Section 139(I) of the Act, their appointment for the above tenure is subject to ratification by members at every AGM. Accordingly, ratification of the members is being sought for the proposal contained in the Resolution set out at item no. 4 of the Notice.

- b) The Company has branch outside India and may also open / acquire new branches outside India in future. It may be necessary to appoint branch auditors for carrying out the audit of the accounts of such branches. The Members are requested to authorize the Board of Directors of the Company to appoint branch auditors in consultation with the Company's Auditors and fix their remuneration.

None of the Directors or KMP or relatives of Directors and KMPs, are in any way concerned with or interested, financially or otherwise, in the resolution at item no.4 of the accompanying notice.

The Board recommends the Resolutions at Item No. 4 to be passed as an ordinary resolution.

Item No. 5

Ms. Sheela Bhide was appointed as an Additional Director w.e.f. August 6, 2014 in accordance with the provisions of sections 149, 152, 160 & 161 of the Companies Act, 2013 and Articles of Association of the Company. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing Ms. Sheela Bhide candidature for appointment as Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. The Board feels that presence of Ms. Sheela Bhide on the Board is desirable and would be beneficial to the company and hence recommends resolution No. 5 for adoption.

None of the Directors or KMP or relatives of Directors and KMP, except Ms. Sheela Bhide, are in any way concerned with or interested, financially or otherwise, in the resolution at item no.5 of the accompanying notice.

The Board recommends the resolution at Item No. 5 to be passed as an ordinary resolution.

Item No.6

The Board of Directors, subject to approval of the Shareholders appointed Mr. Sanjeev Jain as Whole time Director of the Company, designated as "Director-Finance" for a period of three (3) years from July 1, 2015 on the following terms and conditions.

- Salary: Basic - Rs. 2,12,500/- per month, with authority to the Board to sanction increment, subject to the provisions of the Companies Act, 2013.
- House Rent Allowance: 50% of the Basic.
- Perquisites & other allowances:

Perquisites & other allowances shall be paid in addition to the salary as per the policy of the Company but within the overall limit, if any, prescribed under the Companies Act, 2013, as amended from time to time. The perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rules, at actual cost.

- Medical Reimbursement: Expenses incurred for the appointee and his family.
- Group medi-claim & personal accident insurance: Applicable as per rules of the Company.
- Club fees: Fees for membership in one club. This will not include life membership fees.
- Employer's contribution to Provident fund / superannuation fund: As per rules of the Company.
- Gratuity: Gratuity payable shall be at the rate of 15 days salary for each completed year of service in accordance with the rules.
- Variable pay: As per Company's policy.

Minimum Remuneration: The above remuneration shall be paid and allowed as minimum remuneration to Mr. Sanjeev Jain during the currency of tenure of his office as Director-Finance, notwithstanding the absence or inadequacy of profits in any accounting year.

This may be treated as an abstract of terms under the provisions of the Companies Act, 2013.

The information required under sub-paragraph (B) of paragraph (1) of Section II of Part - II of Schedule V of the Companies Act, 2013 is given below.

I. General Information:

- Nature of Industry : Logistics
- Date or expected date of commencement of commercial production : 05.05.1995
- in case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: NA
- Financial performance (Rs. in Mn.)

Particulars	Consolidated		Standalone	
	2014-15	2013-14 (9 Months)	2014-15	2012-13 (9 Months)
Total Income	16627	11272	4546	2626
Gross Profit Before Interest, Depreciation & Tax	1538	947	526	216
Profit Before Tax	758	401	257	129
Profit After Tax	412	234	239	206
Dividend percentage	70	35	70	35

5. Foreign investments or collaborations, if any :

The company has entered into a Joint Venture (JV) with Japanese global logistic service major Kintetsu World Express (KWE) under the name 'Gati-Kintetsu Express'. Under the JV agreement, Gati holds 70 per cent stake and 30 per cent by KWE. As part of the transaction, substantial part of Express Distribution and Supply Chain (EDSC) business of Gati was transferred into the joint venture company through a Business Transfer Agreement.

The holdings of Foreign Institutional Investors (FII) & NRI's as on March 31, 2015 is 7.23% of the equity share capital.

II. Information about the appointee:

1. Background details: Mr. Sanjeev Jain is a seasoned and result oriented professional with an experience of over 25 years in key financial positions. Mr. Jain has industry expertise across varied business verticals like telecom, logistics and agri-products etc. Prior to joining Gati, Mr. Jain was associated with AFL-FedEx Express Ltd., wherein he was spear heading the role of Chief Financial Officer. Mr. Jain has always been the person with strong business acumen, impeccable industry foresight and has contributed in implementing several path breaking business processes. He has also worked with Tata Communication Ltd for over 10 years, where, he was responsible for management assurance services for the group.
2. Past Remuneration: Not Applicable, as this is his first appointment as Director-Finance.
3. Recognition or awards : NIL
4. Job Profile and his suitability: Mr. Sanjeev Jain is a Master in Commerce and is also a Fellow Member of the Institute of Chartered Accountants of India. He has an extensive knowledge in the field of accounting and business processes. He is also well versed with Company Law, Taxation & Regulation. Keeping in view his vast experience and expertise the Board considers him suitable for the position of Director-Finance.
5. Remuneration Proposed: As stated in the explanatory statement above.
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: Considering the general industry and the specific company profile, the proposed remuneration is in line with the industry levels and that of comparatively placed companies in India.
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: Except for the remuneration drawn, Mr. Sanjeev Jain does not have any pecuniary relation directly or indirectly with the company. Mr. Jain is not related to any other managerial personnel.

III. Other Information :

1. Reasons of loss or inadequate profits: NA
2. Steps taken or proposed to be taken for improvement: NA
3. Expected increase in productivity and profits in measurable terms.

The economy is expected to gain momentum in FY 2015-16 with Government initiatives like "Make in India" and GST implementation which will have positive impact on logistics industry. The guidance for the company looks optimistic on the back of improving macroeconomic outlook, rising consumer confidence levels and growth-friendly Government policies.

Continuous growing trend in logistics and supply chain solution will be a pushing factor for the business. For the FY 2015-16, your Company is expected to post better growth at consolidated level which will be fuelled by growing e-Commerce logistics and cold chain. The Company's flagship subsidiary, Gati-KWE is poised for better growth through solution selling by integrating warehousing, distribution along with other value added services.

During the FY 2014-15, the e-Commerce division recorded a revenue of Rs. 1,274 mn as against a revenue of Rs. 408 mn in the previous year (9 months). The e-Commerce division of the Company is growing at a CAGR of 125% over the last four years and will continue to soar for the next couple of years. The Indian e-Commerce industry is set to grow at a rapid pace, clocking 12 million orders per month by CY16 (Source: Accel Partners), we believe that logistics service providers will realize mammoth growth opportunities. As per the growth trend the company projects a growth of 100% YoY.

The approval of the members is sought by way of a special resolution for the re-appointment of Mr. Sanjeev Jain as Whole time Director of the Company, designated as "Director-Finance" with effect from July 1, 2015.

None of the Directors or KMP or relatives of Directors and KMP, except Mr. Sanjeev Jain are in any way concerned with or interested financially or otherwise in the resolution at item no.6 of the accompanying notice.

The Board recommends the resolution at item no.6 to be passed as special resolution.

Item No. 7 & 8:

The members of the Company at their Extraordinary General Meeting held on 29th November, 2011 approved by way of a ordinary resolution under Section 293(1)(d) of the erstwhile Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 600 Crores (Rupees Six hundred crores) and create charge / mortgage the assets as per section 293(1)(a) of the erstwhile Companies Act, 1956.

The corresponding sections under the Companies Act, 2013 are 180(1)(c) & 180(1)(a) respectively.

As per the Companies Act, 2013 and circulars issued by the Ministry of Corporate Affairs, the Companies are required to pass the above resolutions under the new Act. In view of this, members are requested to pass Special Resolutions as set out at item no. 7 & 8 of the notice in accordance with section 180(1)(c) and 180(1)(a) and other applicable provisions of the Companies Act, 2013.

Members may kindly note that these resolutions are proposed to be passed only in supersession of earlier resolutions already approved by the members at the EGM held on 29th November, 2011. It is also proposed to reduce the existing borrowing limits from Rs. 600 crs. to Rs. 500 crs. Also members may note that the actual level of debt would be less than the proposed limit of Rs.500 crores.

None of the directors or KMP or relatives of Directors and KMP are in any way concerned with or interested, financially or otherwise in the resolutions at item no.7 & 8 of the accompanying notice.

The Board recommends the resolutions at item no.7 & 8 to be passed as special resolutions.

Item No.9

The Articles of Association ("AoA") of the Company as presently in force are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013 ("the Act").

Substantive sections of the Act which deals with the general working of companies stand notified. With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares.

A copy of the proposed set of new AoA of the Company would be available for inspection at the Registered Office of the Company during the business hours on any working day, up to the date of the Annual General Meeting and during the Annual General Meeting.

None of the directors or KMP or relatives of Directors and KMP are in any way concerned with or interested financially or otherwise in the resolution at item no. 9 of the accompanying notice.

The Board recommends the Resolution at Item No. 9 to be passed as special resolution.

By order of the Board of Directors
for Gati Limited

Hyderabad,
April 28, 2015

VSN Raju
Company Secretary
M. No. A11701

Registered & Corporate Office:

Plot No.20, Survey No.12
Kothaguda, Kondapur,
Hyderabad-84
Tel: +91 040-7120 4284
Fax: +91 040-2311 2318
CIN: L63011TG1995PLC020121
Website: www.gati.com
Email: investor.services@gati.com

Directors' Report

Dear Members,

As members are aware the Promoter family embarked upon the express distribution business way back in 1989 and incorporated a company to augment the business in 1995 which has now completed 25 years of useful existence and celebrated the silver jubilee earlier this year. Your Directors are now pleased to present the 20th Annual Report and the Audited Financial Statements of your company for the financial year ended March 31, 2015.

During the financial year 2013-14, your Board of Directors changed the financial year from "July – June" to "April – March" in line with the provisions of the Companies Act, 2013. Consequently, the period under review consists of 12 months i.e. April 2014 to March 2015 and the previous financial year 2013-14 consists of 9 months i.e. July 2013 to March 2014. As such the financials of the two periods are not readily comparable.

Financial Highlights

(Rs. in mn)

Particulars	Consolidated		Standalone	
	2014-15	2013-14 (9 m)	2014-15	2013-14 (9 m)
Total Income	16,627	11,272	4,546	2,626
Profit before Finance Cost, Depreciation & Amortization, Taxation & Exceptional item	1,538	947	526	216
Less: Finance cost	419	325	139	47
Depreciation and Amortization (Net)	332	221	101	40
Profit before tax & exceptional items	787	401	286	129
Less: Exceptional items	29	0	29	0
Profit before tax	758	401	257	129
Less: Tax expenses	192	118	18	(77)
PAT before minority interest	566	283	--	--
Less: Minority interest	154	49	--	--
Profit after tax	412	234	239	206
Transferred to general reserve			24	21
Special Interim dividend*			52	--
Proposed dividend*			70	61
Balance profit transferred to surplus account			93	124

* There is no dividend distribution tax in view of set off u/s. 115-O of the Income Tax Act, 1961.

Credit Rating

Due to continued strong performance of the company, Company's credit rating has been improving over the years as reflected below.

Instrument	Rating
Gati Ltd - Long Term Facilities	A minus
Gati-KWE - Long Term Facilities	A
Gati-KWE - Short Term Facilities	A1 plus

The improved ratings has significantly reduced the effective cost of borrowing.

Change in Capital Structure and Listing at Stock Exchanges

The equity shares of your Company continue to be listed and traded on the BSE Ltd and National Stock Exchange of India Ltd. During the period under review, 2,13,450 equity shares were allotted on exercise of the options vested under the Employee Stock Option Scheme, and admitted for trading on NSE and BSE. Consequently, the Equity Share Capital of the Company increased from 8,72,64,087 equity shares of Rs 2/- each to 8,74,77,537 equity shares of Rs 2/- each.

Dividend

During the year under review, to mark the completion of 25 years in business, your Directors approved payment of special interim dividend @ 30% on equity shares of Rs.2/- each (Rs.0.60 per share). This was paid in December 2014.

The Directors have now recommended a final dividend of 40% (Rs. 0.80 per share) for the year ended March 31, 2015 (previous year 35%). This together with the special interim dividend already paid, makes a total dividend of 70% (Rs. 1.40 per share) for the financial year 2014-15 (previous year total of 35%).

Review of Operations

During the year under review, at consolidated level, your Company achieved a revenue of Rs. 16,627 mn, EBITDA of Rs. 1,538 mn, PBT of Rs. 758 mn and PAT of Rs. 566 mn as against a revenue of Rs. 11,272 mn, EBITDA of Rs. 947 mn, PBT of Rs. 401 mn and PAT of Rs. 283 mn respectively in the previous period (9 months).

At standalone level, your Company recorded a revenue of Rs. 4,546 mn, PBT of Rs. 257 mn and PAT of Rs. 239 mn as against a revenue of Rs. 2,626 mn, PBT of Rs. 129 mn and PAT of Rs. 206 mn in the previous period (9 months).

e-Commerce

The e-Commerce business is growing at a CAGR of 125% over the last four years and will continue to soar for the next couple of years. During the period under review, the Company forayed into e-fulfilment centers by setting up five (5) e-fulfilment centers in major cities complemented with a spectrum of other solution offerings such as packaging, reverse logistics, and consolidation services. The comprehensive portfolio would facilitate the Company to penetrate into the E-Commerce ecosystem deeply and increase its footprint across the package delivery value chain. On the technology front, The Company has implemented bar code scanners to improve inventory control; CCTV surveillance system is built to strengthen the security and quality of service; and delivery personnel have been provided with tablets to enable real time tracing & tracking of shipments, CoD and other parameters of delivery.

With the Indian e-Commerce industry set to grow at a rapid pace, clocking 12 million orders per month by CY16 (Source: *Accel Partners*), we believe that logistics service providers will realize mammoth growth opportunities. We believe that as one of the leading e-Commerce logistics service providers, we are strategically placed to benefit from the expected growth in the industry and our strategic initiatives remain to support the volume growth through investment in new facilities, infrastructure and technology.

During the year under review, e-Commerce division recorded a revenue of Rs. 1,274 mn as against a revenue of Rs. 408 mn in the previous period (9 months).

Indian Subsidiaries

Gati-Kintetsu Express Pvt Ltd. (Gati-KWE)

During the financial year under review, Gati-KWE, the flagship subsidiary, contributed 69% to the business of the Company. Gati-KWE offers solutions in Express Distribution – Road, Rail and Air; Transport Solutions for bulk transportation, e-fulfilment and Supply Chain Solutions that span end to end of the value chain. The financial year 2014-15 has been a challenging year, impacted adversely by slow growth of economy. GDP and IIP growth have been at 7.4 % and 2.8 % respectively during the year.

Gati-KWE commands leadership position in road transportation business, and second in Air cargo transportation. In Express Road category, your Company has registered a growth of 12% in (YoY). In Air Cargo space, your Company has registered healthy growth of 23% (YoY) in spite of weak growth of industry. The Transport Solutions business had a de-growth of 2% over the previous year due to operational challenges. Gati-KWE is first 3PL Company to introduce e-fulfilment services for e-commerce industry and is successfully running 5 e-fulfillment centers.

Gati-KWE understands the value of quality services. The Company has taken significant steps to improve the quality through automation of the processes like introduction of CCTV, Tablets and Scanners to reduce defects and improve service efficiency levels. Gati-KWE has successfully run pilot project of bar-coding all packages and will be the first Express Cargo Company to introduce 100% barcode scanning of cargo. As a process, Gati-KWE is heading towards culture driven quality approach from initiative driven approach through continuous implementation of initiatives like 5S implementation, Service Quality standardisation.

During the year under review, Gati-KWE recorded a revenue of Rs. 11,424 mn, EBITDA of Rs. 1,160 mn and PAT of Rs. 575 mn against a revenue of Rs. 7,836 Mn, EBITDA of Rs. 837 mn and PAT of Rs. 369 mn in the previous period (9 months).

Project Udaan, a comprehensive program under implementation by Gati-KWE for enterprise transformation has yielded positive results and believe that it can drive the Company to higher levels of efficiency in the coming years. Under project Udaan various inter disciplinary initiatives have been taken on cost and revenue side to improve profitability of the Company by unlocking value and improving efficiency. Whilst in the first year, the project primarily drove short term initiatives to bring a positive change and momentum, it is also in the process of implementing structural changes around organisation structure, network design and capacity. Impact of short term initiatives is visible on efficiency and capability and are confident that the long term initiatives will enable us to become robust information driven lean and agile organisation.

Gati-KWE has grown in terms of Capacity, capabilities and overall organizational efficiencies. In the current year, Gati-KWE is poised for an exciting period of growth and expansion, as it envisages making informed structural changes based on advanced analytical tools around network & route optimization. To set new standards and excel beyond the expectations of all our stakeholders is the goal for the year, and the Company is confident achieving this goal.

Gati Kausar India Ltd. (GKIL)

Valued at Rs. 132 billion in 2012, the Indian cold chain industry is expected to grow at a CAGR of 16 percent until Fiscal 2017 (Source: Accel Partners). Transportation is expected to grow at a higher CAGR of 18 percent as compared to storage, which is expected to grow at a CAGR of 16 percent during Fiscal 2017. With an established presence in cold chain, GKIL is well positioned and will be able to capitalize on the growth opportunity that this presents. Our growth strategy for cold chain operations, is to complement our existing delivery capabilities with future cold chain development with Pan India presence. Likewise, in past year and this year both, we will be investing ahead by strengthening our sales structure and operational processes to emerge as an integrated supply chain solution provider.

With a view to align and to seize the opportunities in the cold chain emerging market, Gati Kausar has raised Rs.1500 Mn from Mandala Capital AG Ltd. and Mandala Agribusiness Investments II Ltd. Out of the Rs.1500 Mn, Rs. 300 Mn has been invested in the form of Equity shares and Compulsory Convertible Preferential shares (CCPS) and the remaining Rs.1200 Mn shall be invested in the form of Non-Convertible Debentures cum Bonds (Bonds). The funds raised will be utilized primarily for building a network of cold warehouses across the country over the next three years thus enabling the Company to offer integrated cold chain logistics and supply chain management, as well as value added services. With an existing fleet of 220 reefer trucks, Gati Kausar intends to build synergies for its customers by offering both reefer storage and transportation under one umbrella as the company will have strong and right mix of portfolio which will enable it to achieve its long term objectives. Multiple growth drivers exist for Gati Kausar as a cold chain solution provider which can aligned to globally fast emerging market of dairy, sea foods, pharma, meat products along with preserving, storing of agri products and thus increasing profitability to the company and returns to its investors.

During the year under review, GKIL recorded a revenue of Rs. 462 mn, EBITDA of Rs. 25 mn and Loss of Rs. 48 mn against a revenue of Rs. 358 mn, EBITDA of Rs. 34 mn and loss of Rs. 39 mn in the previous period (9 months).

Overseas Subsidiaries & Associates

During the year under review, two step down subsidiaries viz, Gati Cargo Malaysia SDN BHD, Malaysia and Gati China Holdings Limited, Mauritius have been liquidated due to unviable operations.

Gati Ship Ltd. (GSL)

In May 2014, your Company divested 12.09% stake in GSL, and GSL has since become an associate. Further, GSL has discontinued its operations and has settled all its major liabilities and exited from all major commercial contracts successfully. This has helped the Company to reduce the losses significantly and stopped further losses in future.

GSL ceased to be a subsidiary with effect from May 16, 2014 and accordingly the consolidated accounts consists of the performance of the Company till May 15, 2014.

A report on the financial position / performance of each of the subsidiaries, associates and joint ventures forms part of the consolidated financial statements. The Policy for determining material subsidiaries has been posted on the Company's website at: <http://www.gati.com/images/pdf/investors/announcements/Policy-on-material-subsiidaries.pdf>.

Special Reserve

During the year under review, the Irrecoverable advances to subsidiary Gati Ship Limited of Rs.238.44 Mn net of Rs.3.02 Mn realised on sale of 12,10,000 equity shares of Gati Ship Limited, investment in Gati Ship Limited of Rs. 1,080.10 Mn, loss on transfer of shipping division in Gati Limited during F.Y 2011-12 of Rs. 1,101.90 Mn and other losses Rs. 142.84 Mn have been adjusted against the Special Reserve in the Consolidated Balance Sheet. All the above accounting treatment is in accordance with the Scheme of Arrangement approved by the Honourable High Court of Andhra Pradesh vide their order dated March 19, 2013. The statutory auditors have drawn attention to these adjustments in their report as a matter of emphasis.

Consolidated Financial Statements (CFS)

In accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS) - 21 on Consolidated Financial Statements read with AS - 23 on Accounting for Investments in Associates and AS - 27 on Financial Reporting of Interests in Joint Ventures, the audited consolidated financial statement is provided in the Annual Report.

The CFS should therefore be read in conjunction with the directors' reports, financial notes, cash flow statements and the individual auditor reports of the subsidiaries.

Abridged Annual Accounts

Pursuant to the provisions of the first proviso to Section 136(1) of the Act and 10 of Companies (Accounts) Rules, 2014) the abridged annual accounts is being sent electronically to all shareholders. The full annual report is available on the website of the Company at www.gati.com and available for inspection at the registered office of the Company during working hours. Any member interested in obtaining the full annual report may write to the Company Secretary and the same will be furnished on request.

Air India and Gati Arbitration

In the year 2009, the Company discontinued Freighter Aircraft operations as per the arrangement with National Aviation Company of India Ltd (NACIL) (erstwhile Indian Airlines Ltd.,) and now Air India (AI), due to continuous failure and defaults by NACIL. The Learned Arbitral Tribunal adjudicating on the disputes between the Company and Air India Limited in respect of the discontinued freighter operations of the Company, has passed its Award dated September 17, 2013, whereby, it has inter alia directed Air India Limited to pay an amount of Rs. 26.82 mn to the Company against which an amount of Rs. 26.59 mn is included in the Loans and Advances being the difference between the amount of bank guarantee invoked by NACIL and claims acknowledged by the Company. Further, the Learned Tribunal has directed Air India Limited to pay interest @ 18% per annum on the awarded amount. Air India has preferred an application in the Delhi High Court inter alia seeking setting aside of the Award against which objection has been filed. The matter is awaiting disposal by the High Court.

Future Prospects

The new Government initiatives like "Make in India" and possible implementation of GST in the near future would give further impetus to the logistics industry and with the companies PAN India network including cold chain transportation would augment profitability to the company and improve shareholders value. The guidance for the company looks optimistic on the back of improving macro-economic outlook, rising consumer confidence levels and growth-friendly government policies.

The Company's flagship subsidiary, Gati-KWE is poised for better growth through solution selling by integrating warehousing, distribution along with other value added services. In the e-Commerce space, your Company is uniquely placed to provide services in all weight categories and across Metros, State Capitals, Tier two and three cities, which is the growing need of the e-Commerce industry. In e-Commerce solutions, your Company is integrating supply chain solutions and distribution through e-fulfillment centres. The e-Commerce vertical has potential to register multi fold growth (YoY). The Company's focus will be to explore and tap more e-fulfillment centres to cater growing demand of e-Com Companies.

Fixed deposits (FD)

As on March 31, 2015, fixed deposits of the Company stood at Rs. 475.81 mn out of which Rs. 10.31 mn remain unclaimed and there were no overdue deposits as on that date. During the year under review, your Company has accepted deposits to the tune of Rs. 252.58 mn. 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 Companies Act, 2013.

Directors & Key Managerial Personnel (KMP)

Ms. Sheela Bhide has been appointed as an Additional Director in the category of Woman Director and Independent director pursuant to section 149 of the Act w.e.f. August 6, 2014 in accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, who shall hold office till the ensuing Annual General Meeting of the Company.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Sanjeev Jain, Director-Finance who retires by rotation and being eligible, has offered himself for re-appointment.

The brief profiles of the directors who are to be appointed / re-appointed forms part of the notes and explanatory statement to the notice of the ensuing Annual General Meeting.

Pursuant to the provisions of Section 203 of the Companies Act, 2013 the appointments of Mr. Mahendra Agarwal, Founder & CEO, Mr. Sanjeev Jain, Director Finance and Mr. VSN Raju, Company Secretary as Key Managerial Personnel of the Company was formalized

Particulars of Employees and related disclosures

The information required under Section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as **Annexure - A**.

Declaration on Independent Directors

All the Independent Directors confirmed that they have met the criteria of independence as required under Section 149 of the Companies Act, 2013.

Remuneration Policy:

Your Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy forms part of the Corporate Governance Report.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees. The manner in which the evaluation has been carried out has been explained hereunder.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of attendance, engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the director being evaluated. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Particulars of Loans, Guarantees & Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 forms part of the Financial Statements.

Corporate Social Responsibility (CSR)

In terms of section 135 and Schedule VII of the Companies Act, 2013 read with rules made thereunder, the Board of Directors of your Company have constituted a CSR Committee.

CSR Committee of the Board has framed a CSR Policy which forms part of the Annual Report on CSR which is given as **Annexure - B**.

Gati-KWE has earmarked a budget of Rs. 7.67 mn (i.e. 2% of average net profits of the previous 3 years) for FY 2014-15 and spent Rs. 7.91 mn during the year towards CSR activities across India.

Related Party Transactions

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 materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its approval and the particulars of contracts entered during the year as per Form AOC-2 is given as **Annexure - C**.

Meetings of the Board

Six Meetings of the Board of Directors were held during the year. For further details, please refer report on Corporate Governance of this Annual Report.

Vigil Mechanism

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at: <http://www.gati.com/images/pdf/investors/Gati-Vigil-Mechanism-Policy.pdf>.

Familiarisation Programme for Independent Directors

Pursuant to Clause 49 of the Listing Agreement, 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., through various programmes.

Accordingly, the Company has arranged a technical session on December 6, 2014 to familiarize the Independent Directors about their roles, responsibilities and duties as Independent Directors. The details of the familiarisation programme has been disclosed on the website of the Company at: <http://www.gati.com/images/pdf/investors/Familiarisation-Programme-for-Independent-Directors.pdf>.

Directors' Responsibility Statement

Pursuant to the requirement under section 134(5) of the Companies Act, 2013 with respect to the Directors' Responsibility Statement relating to the Company (Standalone), it is hereby confirmed:

1. That in the preparation of the Accounts for the period ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, as explained in earlier paragraph;
2. 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 at the end of the financial year and of the profit of the Company for the year under review;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the accounts have been prepared on a 'going concern' basis, for the period ended March 31, 2015.
5. That the Company, had laid down internal financial controls and that such internal financial controls are adequate and were operating effectively.
6. The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT-9 is given as **Annexure – D**.

Development and Implementation of Risk Management Policy

Your company has a robust Risk Management Policy which has been implemented and placed effectively. The Company has been addressing various risks impacting the Company which includes the identification of various elements of risk impacting the company and mitigation of the same.

The details of Risk Management as practiced by the company is provided as part of Management Discussion and Analysis Report which forms part of this Annual Report.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

Transfer of unclaimed dividend

Pursuant to the provisions of section 205A (5) of the Companies Act, 1956, the unclaimed dividend amount pertaining to the financial year 2006-07 was transferred by the Company to the Investor Education and Protection Fund (IEPF) and the unclaimed dividend pertaining to the financial year 2007-08 is due for transfer to IEPF.

Auditors

a) Statutory Auditors

M/s. RS Agarwala and Co, Chartered Accountants, Kolkata were appointed as the statutory auditors of the company at the 19th AGM held on August 5, 2014, for a period of three (3) years, subject to ratification at every AGM. The Company has received letter to the effect that the ratification of appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment. As required under Clause 49 of the Listing Agreement, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

b) Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s dvm gopal & associates, a firm of Practising Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is given as **Annexure – E**.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

The above information as required under the Companies Act, 2013 is given as **Annexure – F**.

Employees Stock Option Scheme

Details of the shares issued under Employee Stock Option Scheme (ESOS), as also the disclosures in compliance with Section 62 of Companies Act, 2013 and Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and SEBI (Share Based Employee Benefits) Regulations, 2014 and SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 as on March 31, 2015 is given as **Annexure – G** to this Report.

Corporate Governance

The Company is committed to maintain the high standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The Report on corporate governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report and is given as **Annexure - H**.

The requisite certificate from the Practicing Company Secretary confirming compliance with the conditions of corporate governance as stipulated under the aforesaid Clause 49 forms part of the report.

Management Discussion and Analysis (MDA)

MDA is provided as a separate section in the annual report.

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 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 the Company under any scheme save and except ESOS referred to in this Report.
3. Save as provided in this report, neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
4. 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.
5. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
6. There were no material changes / commitments affecting the financial position of the Company between the end of financial year (March 31, 2015) and the date of the report (April 28, 2015).

Acknowledgment

Your Company is grateful to the customers and business partners for their support and encouragement especially in the time of slow economic growth. Your Board is appreciative of the passion, dedication and commitment demonstrated on the job by all the employees. Your Directors wish to place on record their gratitude to the Customers, Government, Financial Institutions, Banks and Shareholders for their continuing support, guidance, and assistance over the years.

For and on behalf of the Board

Place: Hyderabad
Date: April 28, 2015

K L Chugh
Chairman
DIN: 00140124

Annexure – A

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

- i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15, percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Non-Executive Directors	Ratio of remuneration of each Director to median remuneration of employees	% increase in remuneration in the financial year 2014 - 2015	Comparison of the Remuneration of the KMP against the performance of the Company
Mr. KL Chugh, Chairman	2.73 : 1	95	-
Mr. N Srinivasan, Independent Director	2.66 : 1	124	-
Mr. PN Shukla, Independent Director	2.31 : 1	128	-
Dr. PS Reddy, Independent Director	2.06 : 1	146	-
Mr. Sunil Alagh, Independent Director	1.92 : 1	175	-
Ms. Sheela Bhide, Independent Director	1.47 : 1	--	-
Mr. Yoshinobu Mitsuhashi, Nominee Director	0.87 : 1	67	-
Executive Directors and KMP			Profit before tax increased by 68% and Profit after tax increased by 59% in financial year 2014-15
Mr. Mahendra Agarwal, Founder & CEO*	-	-	
Mr. Sanjeev Jain, Director – Finance	33.57 : 1	10.98	
Mr. VSN Raju, Company Secretary	13.64 : 1	9.43	

* Mr. Mahendra Agarwal is drawing remuneration from Gati-KWE.

- ii) the median remuneration is Rs. 0.28 mn and the percentage increase in the median remuneration of employees in the financial year is 8%
- iii) the number of permanent employees on the rolls of company: 557
- iv) the explanation on the relationship between average increase in remuneration and company performance
- The Profit before Tax for the financial year ended March 31, 2015 increased by 68% whereas the increase in median remuneration was 12%. The average increase in median remuneration was in line with the performance of the Company.
- v) comparison of the remuneration of the Key Managerial Personnel against the performance of the company
- The total remuneration of Key Managerial Personnel increased by 10.53% from 122.14 lakhs in 2013-14 to Rs. 135 lakhs in 2014-15 whereas the Profit before Tax increased by 68%.
- vi) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer

The Market Capitalisation of the Company as on 31st March, 2015 was Rs. 1894.33 crores as compared to Rs. 705.53 crores as on 31st March, 2014. The price earnings ratio of the Company was 45.88 as at 31st March, 2015 and was 23.34 as at 31st March, 2014. The closing share price of the Company at NSE Limited on 31st March, 2015 being Rs. 216.55 per equity share of

face value of Rs. 2/- each has grown 20 times since the last right issue made in the year 2005 (Offer Price was Rs. 54/- per equity share of face value of Rs. 10/- each).

- vii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 13.83% whereas the increase in the managerial remuneration for the same financial year was 10.21%.
- viii) The key parameters for the variable component of remuneration availed by the directors is as per the remuneration policy for directors, key managerial personnel and other employees, recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- ix) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable;
- x) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- xi) 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.

Annexure – B

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FY 2014-15

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	Gati to be a socially responsible corporate by fulfilling its responsibilities as a member of the society and community, thereby creating a positive impact to the stakeholders with a concern towards the environment. The programs include Education, Community, Environment Sustainability, Rural Development Projects & Donations. http://www.gati.com/images/pdf/investors/Gati-CSR-Policy.pdf
2. The Composition of the CSR Committee	1. Ms. Sheela Bhide, Chairperson 2. Dr. P S Reddy, Member 3. Mr. Sanjeev Jain, Member
3. Average net profit of the Company for last three financial years.	Rs. 51.53 mn
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	Rs. 1.03 mn
5. Details of CSR spent during the financial year 2014-15: a. Total amount to be spent for the financial year 2014-15	An amount of Rs. 1.22 mn was spent towards construction of Gati Multipurpose Community Center (GMCC) at Rudraprayag, Uttarakhand.
b. Amount unspent, if any	NA

c. Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity Identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Subheads: (1) Direct expenditure on projects or Programs. (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
I	Community Development	Relief Operation & Donations	Rudraprayag, Uttarakhand	Rs. 10 mn	Rs. 1.22 mn	Rs. 1.22 mn	Direct

Responsibility Statement

The responsibility statement of the CSR Committee of the Board of Directors of the Company, is reproduced below:

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

Place: Hyderabad
Date: April 28, 2015

Mahendra Agarwal
Founder & CEO
DIN: 00179779

Sheela Bhide
Chairperson, CSR Committee
DIN: 01843547

Annexure – C

RELATED PARTY TRANSACTIONS

I.	Details of contracts or arrangements or transactions not at arm's length basis	
	(a) Name(s) of the related party and nature of relationship	NA
	(b) Nature of contracts/arrangements/transactions	
	(c) Duration of the contracts / arrangements/transactions	
	(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
	(e) Justification for entering into such contracts or arrangements or transactions	
	(f) date(s) of approval by the Board	
	(g) Amount paid as advances, if any:	
	(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	
2.a	Details of material contracts or arrangement or transactions at arm's length basis	
	(a) Name(s) of the related party and nature of relationship	Gati-Kintetsu Express Pvt. Ltd., Subsidiary Company
	(b) Nature of contracts/arrangements/transactions	Lease of registered office at Kondapur, Hyderabad.
	(c) Duration of the contracts / arrangements/transactions	15 years
	(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	a) Total area: 55882 Sq. Ft. (Inclusive of undivided share in parking) b) Rs. 73 per sq.ft. per month and maintenance cost at actuals with a cap Rs. 15 per Sq ft, c) for using as registered office
	(e) Date(s) of approval by the Board, if any:	06.05.2014
	(f) Amount paid as advances, if any:	Rs. 583 lakhs as security deposit
2.b	Details of material contracts or arrangement or transactions at arm's length basis	
	a) Name(s) of the related party and nature of relationship	Gati-Kintetsu Express Pvt. Ltd., Subsidiary Company
	b) Nature of contracts/arrangements/transactions	Lease of warehouse at Goa
	c) Duration of the contracts / arrangements/transactions	60 months
	d) Salient terms of the contracts or arrangements or transactions including the value, if any:	a) Total area 14,500 sq.ft. and parking area 30,000 sq.ft. b) rate of Rs. 20 per sq. ft. per month and maintenance cost at actuals with a cap Rs. 2/- per Sq ft c) for warehouse purpose
	e) Date(s) of approval by the Board, if any:	05.12.2014
	f) Amount paid as advances, if any:	Rs.22.74 lakhs as security deposit

Your Board of Directors has on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules made thereunder and the Listing Agreement. This Policy was considered and approved by the Board has been uploaded on the website at: <http://www.gati.com/images/pdf/investors/RP-Policy.pdf>.

Annexure – D

Form No. MGT-9 EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

- i) CIN : L63011TG1995PLC020121
- ii) Registration Date : April 25, 1995
- iii) Name of the Company : Gati Limited
- iv) Category / Sub-Category of the Company : Company having share capital, Indian Non-Government Company.
- v) Address of the Registered Office and Contact details : Plot no. 20, Sy. 12, Kothaguda, Kondapur, Hyderabad - 500 084.
Tel. No. 040 – 71204284
Email id: investor.services@gati.com
Website: www.gati.com
- vi) Whether listed Company : Yes,
a) BSE Limited &
B) National Stock Exchange of India Limited
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Karvy Computershare Private Limited
Karvy Selenium Tower B
Plot 31-32, Gachibowli
Financial District, Nanakramguda,
Hyderabad – 500 032
Tel No: 040 6716 2222, Fax : 040 2300 1153
Email id: mohsin.mohd@karvy.com

II. PRINCIPLE BUSINESS ACTIVITY OF THE COMPANY

S. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1)	Cargo handling incidental to land, water & air transport.	52241, 52242, 52243	87.69
2)	Retail sale of automotive fuel in specialized store (including the activity of petrol filling stations)	47300	12.31

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1)	Gati-Kintetsu Express Pvt. Ltd., First floor, Plot no.20, Sy.no.12, Kothaguda, Kondapur, Hyderabad.	U62200TG2007PTC056311	Subsidiary	70	2 (87)
2)	Gati Kausar India Ltd., 1-7-285, M. G. Road, Secunderabad.	U74899TG1984PLC089495	Subsidiary	99.82	2 (87)
3)	Gati Import Export Trading Ltd., 1-7-293, M. G. Road, Secunderabad	U60232TG2008PLC057692	Subsidiary	100	2 (87)
4)	Zen Cargo Movers Pvt. Ltd., AG- 50, Sanjay Gandhi Transport Nagar, G.T. Karnal Road, New Delhi.	U64120DL2007PTC160560	Subsidiary	100	2 (87)
5)	Gati Logistics Parks Pvt. Ltd., 1-7-293, M. G. Road, Secunderabad.	U63030TG2011PTC072285	Subsidiary	100	2 (87)

6)	Gati Projects Pvt. Ltd., I-7-293, M. G. Road, Secunderabad.	U45400TG2011PTC072399	Subsidiary	100	2 (87)
7)	Gati Asia Pacific Pte Ltd. (GAP), 3 Changi North Street 2, #01-01 Logis Tech Singapore - 498827	Foreign Company	Subsidiary	100	2 (87)
8)	Gati Hong Kong Ltd., Unit 29 UP, 7/F Metro Centre II No. 21, Lam Hing Street, Kowloon Bay, Hong Kong	Foreign Company	Subsidiary	100 of GAP	2 (87)
9)	Gati Cargo Express (Shanghai) Co. Ltd., Ground Floor, East Gate, No. 399 Huqingping Road, Shanghai China, 201105	Foreign Company	Subsidiary	100 of GAP	2 (87)
10)	Gati Ship Ltd., I-7-293, M.G.Road, Secunderabad.	U61100TG2010PLC070699	Associate	47.95	2 (6)
11)	Gati (Thailand) Ltd., 88, AP, Nakarintr building, 11th floor, Unit 2, Soi Lasalle, 58, Bangana Bangkok, Thailand.	Foreign Company	Associate	21.37	2 (6)

IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of Total Equity)

i) Category-wise shareholding

Category of Shareholders		No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A	Promoters									
(1)	Indian									
a)	Individual / HUF	5316690	-	5316690	6.09	8139183	-	8139183	9.30	3.21
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt	-	-	-	-	-	-	-	-	-
d)	Bodies Corporate	18471740	-	18471740	21.17	14551481	-	14551481	16.63	(4.54)
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any Other (Trusts)	9470000	-	9470000	10.85	13437937	-	13437937	15.36	4.51
Sub-Total (A) (1)		33258430	-	33258430	38.11	36128601	-	36128601	41.30	3.19
(2)	Foreign									
a)	NRI - Individual	-	-	-	-	-	-	-	-	-
b)	Other - Individual	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)		-	-	-	-	-	-	-	-	-
Total shareholding of promoter (A) = (A)(1) + (A) (2)		33258430	-	33258430	38.11	36128601	-	36128601	41.30	3.19
B	Public Shareholding									
(1)	Institutions	-	-	-	-	-	-	-	-	-
a)	Mutual Funds	256720	-	256720	0.29	221992	-	221992	0.25	(0.04)
b)	Banks / FI	231324	53745	285069	0.33	167118	53745	220863	0.25	(0.07)
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt	-	-	-	-	-	-	-	-	-
e)	Venture Capital Fund	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIs	240448	2885	243333	0.28	8160891	2885	8163776	9.33	9.05
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

i)	Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)		728492	56630	785122	0.90	8550001	56630	8606631	9.84	8.94
(2)	Non-Institutional									
a)	Bodies Corporate									
	i) Indian	10359543	31050	10390593	11.91	5246058	31050	5277108	6.03	(5.87)
	ii) Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	14046211	1381087	15427298	17.68	14982221	1326878	16309099	18.64	0.96
	ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	24693275	-	24693275	28.30	12894992	-	12894992	14.74	(13.56)
c)	Others (specify)	-	-	-	-	-	-	-	-	-
	Foreign Nationals	360	-	360	0.00	360	-	360	0.00	-
	Foreign Bodies	-	-	-	-	4329114	-	4329114	4.95	4.95
	Director	329500	-	329500	0.38	180000	-	180000	0.21	(0.17)
	Non Resident Indians	1453406	142520	1595926	1.83	3263922	140340	3404262	3.89	2.06
	Clearing Members	729583	-	729583	0.84	336770	-	336770	0.38	(0.45)
	Trusts	54000	-	54000	0.06	10600	-	10600	0.01	(0.05)
Sub-Total (B)(2)		51665878	1554657	53220535	60.99	41244037	1498268	42742305	48.86	(12.13)
Total Public shareholding (B) = (B)(1) + (B)(2)		52394370	1611287	54005657	61.89	49794038	1554898	51348936	58.70	(3.19)
C	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		85652800	1611287	87264087	100.00	85922639	1554898	87477537	100.00	-

ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to the total shares	
TCI Finance Limited	7724350	8.85	8.84	8133205	9.30	6.22	0.45
Mahendra Investments Advisors Private Limited	8065105	9.24	4.23	3735991	4.27	0.68	(4.97)
Mahendra Kumar Agarwal	2921690	3.35	2.29	3799188	4.34	4.25	0.99
Mahendra Kumar Agarwal (HUF)	2395000	2.74	2.67	4339995	4.96	2.82	2.22
Dhruv Agarwal Benefit Trust	2900000	3.32	2.22	3769300	4.31	2.46	0.99
Manish Agarwal Benefit Trust	2700000	3.09	0.77	4068642	4.65	2.51	1.56
Bunny Investments And Finance Private Limited	1454972	1.67	1.66	1454972	1.66	1.54	(0.01)
Jubilee Commercial & Trading Pvt. Ltd.	1227313	1.41	1.41	1227313	1.40	0.38	(0.01)
Neera and Children Trust	3870000	4.43	0	5599995	6.40	0	1.97
Total	33258430	38.11	24.10	36128601	41.30	20.86	3.19

iii) Change in Promoter's Shareholding

Shareholders Name	Shareholding at the beginning of the year		Date wise increase / (decrease) in promoter shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)			Cumulative shareholding at the end of the year	
	No. of shares	% of total shares of the Company	Date	No. of shares	Nature	No. of shares	% of total shares of the Company
TCI Finance Limited	7724350	8.85	08.08.2014	408855	Transfer/Buy	8133205	9.30
Mahendra Investments Advisors Private Limited	8065105	9.24	01.04.2014	(4329114)	Transfer/Sell	3735991	4.27
Mahendra Kumar Agarwal	2921690	3.35	04.04.2014	300000	Transfer/Buy	3221690	3.69
			*12.12.2014	577498	Transfer/Buy	3799188	4.34
Mahendra Kumar Agarwal (HUF)	2395000	2.74	04.04.2014	600000	Transfer/Buy	2995000	3.43
			08.08.2014	190000	Transfer/Buy	3185000	3.65
			*12.12.2014	1154995	Transfer/Buy	4339995	4.96
Dhruv Agarwal Benefit Trust	2900000	3.32	08.08.2014	869300	Transfer/Buy	3769300	4.31
Manish Agarwal Benefit Trust	2700000	3.09	08.08.2014	868642	Transfer/Buy	3568642	4.09
			18.09.2014	500000	Transfer/Buy	4068642	4.65
Bunny Investments And Finance Private Limited	1454972	1.67	Nil	Nil	Nil	1454972	1.66
Jubilee Commercial & Trading Pvt. Ltd.	1227313	1.41	Nil	Nil	Nil	1227313	1.40
Neera and Children Trust	3870000	4.43	01.04.2014	600000	Transfer/Buy	4470000	5.12
			*12.12.2014	1129995	Transfer/Buy	5599995	6.40

Note: * shares acquired from relatives through family settlement, under exemption category vide regulation no. 10(1)(a)(i) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date wise increase / (decrease) in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)			Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Date	No. of shares	Nature	No. of shares	% of total shares of the Company
1	Macquarie Bank Ltd.	--	---	23.05.14	1500000	Transfer/Buy	1500000	1.72
				30.05.14	2898800	Transfer/Buy	4398800	5.04
				06.06.14	93200	Transfer/Buy	4492000	5.15
				19.12.14	508000	Transfer/Buy	5000000	5.72
2	Kintetsu World Express Inc	--	--	01.04.14	4329114	Transfer/Buy	4329114	4.95
3	Amal Niranjana Parikh	2300000	2.64	06.06.14	(2300000)	Transfer/Sell	0	0
				04.07.14	2300000	Transfer/Buy	2300000	2.63
4	Ashish Kacholia	1500000	1.72	NA	NA	NA	1500000	1.71
5	Goldman Sachs India Fund Ltd.	--	--	06.06.14	884144	Transfer/Buy	884144	1.01
				20.06.14	127990	Transfer/Buy	1012134	1.16
6	Radhakishan Damani	6540718	7.50	04.04.14	73364	Transfer/Buy	6614082	7.58
				11.04.14	50	Transfer/Buy	6614132	7.58
				23.05.14	(524476)	Transfer/Sell	6089656	6.98

				30.05.14	(466000)	Transfer/Sell	5623656	6.44
				06.06.14	2008414	Transfer/Buy	7632070	8.75
				06.06.14	(2008414)	Transfer/Sell	5623656	6.44
				20.06.14	(18000)	Transfer/Sell	5605656	6.42
				30.06.14	4029541	Transfer/Buy	9635197	11.04
				30.06.14	(4029541)	Transfer/Sell	5605656	6.42
				04.07.14	115000	Transfer/Buy	5720656	6.56
				11.07.14	125000	Transfer/Buy	5845656	6.70
				05.09.14	34000	Transfer/Buy	5879656	6.74
				30.09.14	(300000)	Transfer/Sell	5579656	6.39
				17.10.14	490000	Transfer/Buy	6069656	6.96
				17.10.14	(690000)	Transfer/Sell	5379656	6.16
				24.10.14	200000	Transfer/Buy	5579656	6.39
				24.10.14	(200000)	Transfer/Sell	5379656	6.16
				14.11.14	(150000)	Transfer/Sell	5229656	5.99
				21.11.14	550000	Transfer/Buy	5779656	6.62
				21.11.14	(675000)	Transfer/Sell	5104656	5.85
				05.12.14	1400000	Transfer/Buy	6504656	7.45
				05.12.14	(1400000)	Transfer/Sell	5104656	5.85
				12.12.14	690370	Transfer/Buy	5795026	6.64
				12.12.14	(690370)	Transfer/Sell	5104656	5.85
				19.12.14	5000	Transfer/Buy	5109656	5.86
				19.12.14	(60000)	Transfer/Sell	5049656	5.79
				31.12.14	(45000)	Transfer/Sell	5004656	5.74
				16.01.15	940000	Transfer/Buy	5944656	6.81
				16.01.15	(940000)	Transfer/Sell	5004656	5.74
				30.01.15	(100000)	Transfer/Sell	4904656	5.62
				13.02.15	100000	Transfer/Buy	5004656	5.72
				13.02.15	(300000)	Transfer/Sell	4704656	5.38
				27.02.15	1625000	Transfer/Buy	6329656	7.24
				27.02.15	(1625000)	Transfer/Sell	4704656	5.38
				20.03.15	1405000	Transfer/Buy	6109656	6.98
				20.03.15	(1405000)	Transfer/Sell	4704656	5.38
				27.03.15	1604630	Transfer/Buy	6309286	7.21
				27.03.15	(1604630)	Transfer/Sell	4704656	5.38
				31.03.15	500000	Transfer/Buy	5204656	5.95
				31.03.15	(500000)	Transfer/Sell	4704656	5.38
7	Praveen K Manivannan	1000000	1.15	Nil	Nil	Nil	1000000	1.14
8	M R Naveen	617820	0.71	Nil	Nil	Nil	617820	0.71
9	G. Manivannan	500375	0.57	Nil	Nil	Nil	500375	0.57
10	Nirmal M. Bang & Sangeeta Nirmal Bang (HUF)	501648	0.57	23.05.14	501648	Transfer	501648	0.57

Note: The above information is based on the weekly beneficiary position received from Depositories.

v) Shareholding of Directors and Key Managerial Personnel

S. No	For each the Directors and KMP	Shareholding at the beginning of the year		Date wise increase / (decrease) in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)			Cumulative shareholding at the end of the year	
		No. of shares	% of total shares of the Company	Date	No. of shares	Nature	No. of shares	% of total shares of the Company
1	Mr. K L Chugh Chairman	79500	0.09	10.12.14	(18720)	Transfer/Sell	60780	0.07
				11.12.14	(20000)	Transfer/Sell	40780	0.05
				18.12.14	(4000)	Transfer/Sell	36780	0.04
				19.12.14	(1800)	Transfer/Sell	34980	0.04
				22.12.14	(3915)	Transfer/Sell	31065	0.04
				23.12.14	(31065)	Transfer/Sell	0	0
				24.01.15	22500	ESOS allotment	22500	0.03
2	Mr. Mahendra Agarwal Director	2921690	3.36	04.04.14	300000	Transfer/Buy	3221690	3.69
				12.12.14	577498	Transfer/Buy	3799188	4.35
3	Mr. N Srinivasan Director	70000	0.08	02.06.14	(20000)	Transfer/Sell	50000	0.06
				11.08.14	(20000)	Transfer/Sell	30000	0.03
				09.09.14	(10000)	Transfer/Sell	20000	0.02
				24.09.14	(6000)	Transfer/Sell	14000	0.02
				24.01.15	22500	ESOS allotment	36500	0.04
4	Dr. P S Reddy Director	65000	0.07	07.11.14	(10000)	Transfer/Sell	55000	0.06
				12.11.14	(20000)	Transfer/Sell	35000	0.04
				13.11.14	(10000)	Transfer/Sell	25000	0.03
				27.11.14	(10000)	Transfer/Sell	15000	0.02
				24.01.15	22500	Esos allotment	37500	0.04
5	Mr. P N Shukla Director	Nil	Nil	24.01.15	6000	ESOS allotment	6000	0.01
6	Mr. Sunil Alagh Director	115000	0.13	19.08.14	(40000)	Transfer/Sell	75000	0.09
				20.08.14	(20000)	Transfer/Sell	55000	0.06
				24.01.15	22500	ESOS allotment	77500	0.09
7	Mr. Yoshinobu Mitsuhashi Nominee Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
8	Mr. Sanjeev Jain Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
9	Ms. Sheela Bhide Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
10	Mr. VSN Raju Company Secretary	Nil	Nil	24.01.15	30000	ESOS allotment	30000	0.03

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

(Rs. in mn)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial Year				
i) Principal Amount	491	1333	320	2,145
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	12	12
Total (i+ii+iii)	491	1333	332	2,157
Change in Indebtedness during the financial year				
Addition	621	55	253	928
Reduction	198	0	97	295
Net Change	422	55	156	621
Indebtedness at the end of the financial Year				
i) Principal Amount	914	1388	476	2,778
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	24	24
Total (i+ii+iii)	914	1388	500	2,802

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration of Managing Director, Whole-time Directors and/or Manager

(Rs. in lakhs)

S. No.	Particular of Remuneration	Mahendra Agarwal Founder & CEO	Sanjeev Jain Director-Finance	Total
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	68.34	68.34
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961.	-	2.21	2.21
	c) Profit in lieu of salary 17(3) of the Income Tax Act, 1961.	-	-	-
2	Stock Option (no. of options)	-	1,50,000	1,50,000
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as a % of profit			
	- others, specify			
5	Others, please specify	-	-	-
	Total (A)	-	70.55	70.55
	Ceiling as per the Act	-	127.72	127.72

B. Remuneration to other Directors

(Rupees. in lakhs)

S. No.	Particular of Remuneration	Name of the Directors							Total
		K L Chugh	N Srinivasan	P S Reddy	Sunil Alagh	P N Shukla	Yoshinobu Mitsuhashi	Sheela Bhide	
1	Independent Directors								
	(a) Fee for attending board / committee meetings	2.80	4.10	3.40	3.00	4.10	--	1.70	19.10
	(b) Commission	5.00	3.50	2.50	2.50	2.50	--	2.50	18.50
	(c) Others, please specify	--	--	--	--	--	--	--	--
	Total (1)	7.80	7.60	5.90	5.50	6.60	--	4.20	37.60
2	Other Non-Executive Directors	--	--	--	--	--	--	--	--
	a) Fee for attending board / committee meetings	--	--	--	--	--	--	--	--
	b) Commission	--	--	--	--	--	2.50	--	2.50
	c) Others, please specify	--	--	--	--	--	--	--	--
	Total (2)	--	--	--	--	--	2.50	--	2.50
	Total B = (1+2)	7.80	7.60	5.90	5.50	6.60	2.50	4.20	40.10
	Total Managerial Remuneration								21.00
	Ceiling as per the Act								25.54

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(Rs. in lakhs)

S. No.	Particular of Remuneration	VSN Raju, Company Secretary	Total
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of Income-tax Act, 1961	28.60	28.60
	(b) Value of perquisites u/s 17 (2) Income tax Act, 1961	50.20	50.20
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option (no. of options)	70,000	70,000
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	others, please specify	-	-
	Total	78.80	78.80

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of penalty / punishment/ compounding fee imposed	Authority [RD /NCLT/Court]	Appeal made, if any (give details)
A. Company:					
Penalty			None		
Punishment					
Compounding					
B. Directors:					
Penalty			None		
Punishment					
Compounding					
C. Other officers in Default:					
Penalty			None		
Punishment					
Compounding					

Annexure – E

Form 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 31ST MARCH 2015)

To
The Members of
M/s. Gati Limited
Hyderabad

We have conducted the Secretarial Audit on the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. 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 books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information 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 ended on 31st March 2015, 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:

- I. The Company is carrying on the business activities of Express Distribution and Supply Chain Solutions in India and also has Investments in Subsidiary and other Group Companies.
- II. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on 31st March 2015 according to the provisions of:
 1. The Companies Act, 2013 (the Act) and the Rules made there under;
 2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. 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;
- e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
- f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- h. The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited.
- i. The Memorandum and Articles of Association.
- j. The Secretarial Standards issued by The Institute of Company Secretaries of India.

III. We further report that

1. The Company has, in our opinion, complied with the provisions of the Companies Act, 1956, Companies Act, 2013 and the Rules made under that Act as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company.
2. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.
3. The Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed there under by the Depositories with regard to dematerialization / re-materialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
4. The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act, to the extent it is applicable. Our observations are given below:-
 - 4.1. With regard to restructuring of Overseas Subsidiary Companies viz., M/s. Gati Asia Pacific Pte Ltd and M/s. Gati Holdings Limited, Mauritius in FY 2011-12, the Company did not comply with the requirement of fair valuation as prescribed under the FEMA 1999. The Company has filed compounding applications to RBI, inter alia seeking compounding of contraventions. The application is still pending with RBI as at the end of the Financial Year.
 - 4.2. With reference to the payment of Compounding Fee levied by the RBI for the non-compliance relating to FCCB issue, we were informed by the Company that the company has paid the Compounding Fee and withdrawn the Writ Petition filed before the High Court of Judicature at Hyderabad for the State of Telangana and Andhra Pradesh. Further, we were informed that the FCCB Holder has also filed a case

against the Company before the Secunderabad City Civil Court for specific performance of contract obligation. i.e., Conversion of FCCB's into Equity Shares.

5. The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange Limited, except the following:
 - 5.1. As per Clause 49 of the Listing Agreement, at least one Independent Director of the Holding Company shall be a Director on the Board of Material un-listed Indian Subsidiary Company. M/s. Gati - Kintetsu Express Private Limited is a Material un-listed Indian Subsidiary of the Company. The said requirement is complied effective from 6th August 2014.
 6. The Company has complied with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 1992.
- IV. We further report that:
1. The Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
 2. The Company has complied with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
 3. The Company has not bought back equity shares of the company, during the period; therefore, the compliance of the provisions of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; does not arise.
 4. The Company has not delisted any of its securities, during the period, therefore, the compliance of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; does not arise.
 5. Since Secretarial Standards issued by Institute of Company Secretaries of India (ICSI) are yet to be notified by the Ministry of Corporate Affairs, we have not commented on the same.
- V. We further report that:
1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 2. Adequate notice is given to all directors to conduct the Meetings of Board and its committees. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting.
 3. Majority decision is considered while the dissenting members' views are captured and recorded as part of the minutes.
4. The Company has obtained all necessary approvals under the various provisions of the Act; and
 5. There were no prosecution initiated and no fines or penalties imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
 6. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their independence and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
- VI. With reference to the compliance of Industry Specific Acts of the company, we relied upon Compliance Certificates issued by the Company Secretary of the Company to the Board of Directors and also Compliance Certificates issued by the respective Department Heads. Our report of compliance would be limited to their reporting and subject to the observations and comments made by them in their report, if any.
- VII. With reference to the compliance of the Labour and Financial Laws, We relied upon Compliance Certificates issued by the Company Secretary to the Board of Directors and also Compliance Certificates issued by the respective Department Heads and also report of Statutory and Internal Auditors. Our report of compliance would be limited to their reporting and subject to the observations and comments made by them in their report, if any.
- VIII. Based on the information received and the records maintained, there are adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- IX. During the audit period, there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. as referred to above.

For dvmgopal & associates
Company Secretaries

Place: Hyderabad
Date: April 28, 2015

DVM Gopal
Proprietor
M No: F6280
CP No: 6798

Annexure – F

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:

Your Company continues to be conscious of the environmental impact of our business and continues to improve on its fuel efficiency through various initiatives in this area.

Further, the following measures are implemented continuously by the Company and its subsidiaries:

1. Vehicles were purchased carefully in compliance with all latest regulations relating to pollution control and Bharat Stage (Euro) norms i.e. BSIII / BS IV models.
2. The strict periodical maintenance of Company's vehicles was done as per manufacturer's prescribed norms to ensure optimum fuel consumption & better vehicle maintenance.
3. Stringent checks for vehicles and exit of vehicles >5 years old.
4. 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.
5. Providing DIP i.e., Drivers Information Package which would educate them about Do's and Don'ts, RIC (Route Information card) and check list to be followed before departing the vehicle & monitoring through Vehicle Tracking System
6. A centralized Operations Control Center has been built to provide support to vehicles and drivers 24/7, 365 days.
7. The new Corporate Office has been built adhering to the Leed Norms and was awarded LEED GOLDEN Certificate.
8. LED lights are being used for all new warehouses and the old light fixtures are being replaced with LED fixtures.
9. Providing cross ventilation for light and air, thus reducing power consumption in day time.
10. All the warehouses have provided and maintained rain harvesting pits & greenery.

B) Technology Absorption:

Your Company has initiated two activities with respect to E-Com, viz., (i) Increased the Tablet roll out to cover more E-Com delivery personnel and (ii) Procured IBM Sterling Commerce product to meet the ever growing requirement of E-Fulfilment centres and is currently in the early stages of implementation.

Further, your Company has also developed (i) an in-house application for cold chain solution for Gati Kausar India Ltd., subsidiary Company to automate order management, vehicle management, loading / unloading, expense management, trip sheet preparation and VTS data integration and (ii) a Mobile Consumer Application for the customer to track shipments, click to call Gati call center, get rates, schedule a pickup, locate us etc., from their mobiles.

C) Foreign Exchange earnings and outgo:

The particulars of earning and expenditure in foreign exchange during the year are given as additional information in note no.43 in Notes on Financial Statements.

Annexure – G

Disclosures with respect to Employee Stock Option Scheme of the Company (For the Financial Year ended March 31, 2015)

S. No.	Particulars		
1	Options granted & accepted as on 31.03.2015 (No.)	19,50,940	
2	Options vested (No.)	7,11,500	
3	Options exercised (No.)	2,13,450	
4	Total number of shares arising as a result of exercise of option (No.)	2,13,450	
5	Options lapsed (No.)	1,33,500	
6	Exercise price (Rs.)	12.01.2013: Rs. 28.00 06.02.2014: Rs.45.60 06.08.2014: Rs. 85.42	
7	Variation of terms of options (No.)	Nil	
8	Money realized by exercise of options (Rs.)	59,76,600	
9	Total number of options in force (No.)	16,03,990	
10	Employee wise details of options granted to:		
	• Key Managerial Personnel	Name	Options granted
		Sanjeev Jain	150000
	• Any other employee who receives a grant of options in any one year of option amounting to 5% or more of options granted during that year	Bala Aghoramurthy	150000
		G S Ravi Kumar	25000
		Bablu Tewari	25000
		Shridhar Upadhyay	25000
		Nirmal Kumar Pandey	25000
	Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil	
11	Diluted EPS as per Accounting Standard 20	2.02	
	i) Method of calculation of employee compensation cost	The company has calculated the employee compensation cost using the intrinsic value of the stock options.	
	ii) Difference between the employee compensation cost so computed at (i)above and the employee compensation cost that shall have been recognized if it had used the fair value of the options	Rs. 53,83,273	
	iii) The impact of this difference on profits and on EPS of the company on the current year profits (Amortised Amount)	Profit (Loss) after Tax (Rs. In Lakhs) 2,386.46 Less: Additional Employee compensation cost of Fair Value over Intrinsic Value Rs. In Lakhs(Amortalised) 30.04 Adjusted PAT(Loss)Rs. In Lakhs 2,356.42 Adjusted EPS 2.00	

12.	Weighted average exercise price and fair value of Stock Options granted:		
Stock Options granted on	Weighted average exercise price (in Rs.)	Weighted average Fair value (in Rs.)	Closing market price at BSE on the date of grant (in Rs.)
12.01.2013	28.00	39.95	35.60
06.02.2014	45.60	75.44	69.50
06.08.2014	85.42	125.70	113.79
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) Risk free interest rate (ii) Expected Life of Options (iii) Expected volatility (iv) Dividend yield	8.00% 3 years 12.59% (last one year) 1.73%	

Annexure – H

REPORT ON CORPORATE GOVERNANCE

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

Gati Limited ('Gati' or '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

A majority of the Board, 6 out of 9, are Independent Directors. 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.

As on March 31, 2015, the Board of Gati has 9 Directors, comprising (i) 6 Independent Directors, including the Chairman & 1 Woman Director (ii) 2 Executive Directors (iii) 1 Nominee Director. The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges.

Name	Designation	Board meetings	Committees			
			Audit	Stakeholder Relationship	Nomination & Remuneration	Corporate Social Responsibility
Mr. K L Chugh	Independent Director - Chairman	Chairman	---	---	Member	---
Mr. Mahendra Agarwal	Promoter, Founder & CEO	Managing Director	---	Member	---	---
Mr. N. Srinivasan	Independent Director	Member	Chairman	---	---	---
Dr. P.S. Reddy	Independent Director	Member	Member	---	Chairman	Member
Mr. Sunil Alagh	Independent Director	Member	---	Chairman	---	---
Mr. Yoshinobu Mitsuhashi	Nominee Director	Member	---	---	---	---
Mr. Sanjeev Jain	Director - Finance	Member	---	---	---	Member
Mr. P N Shukla	Independent Director	Member	Member	---	Member	---
Ms. Sheela Bhide	Independent Director	Member	---	---	---	Chairman

Each Director informs the Company on an annual basis about the Board and Board Committee positions they occupy in other companies including Chairmanships and notifies changes during the term of their directorship in the Company. 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. Other directorships do not include alternate directorships and companies incorporated outside India. Chairmanships / Memberships of Board Committees include only Audit and Stakeholders Relationship Committees.

The number of other directorships, committee chairmanships/memberships held in other companies by each of the Directors is tabled below:

Name	No. of other Directorships and Committee Membership / Chairmanship		
	Other Directorships	Committee	
		Membership	Chairmanship
Mr. K L Chugh	5	-	-
Mr. Mahendra Agarwal	9	-	-
Mr. N. Srinivasan	11	4	4
Dr. P.S. Reddy	2	-	-
Mr. Sunil Alagh	4	4	-
Mr. Yoshinobu Mitsuhashi	1	-	-
Mr. Sanjeev Jain	1	-	-
Mr. P N Shukla	2	1	-
Ms. Sheela Bhide	6	1	2

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 2014-15, the Board met six times: on May 6, 2014, June 20, 2014, August 6, 2014, October 29, 2014, December 5, 2014 and January 24, 2015. The necessary quorum was present at all the meetings. Video/tele-conferencing facilities were also used to facilitate Directors travelling abroad or at other locations to participate in the meetings. 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 August 5, 2014.

Name	Category and Designation	Attendance particulars	
		Board meetings	Last AGM
Mr. K L Chugh	Independent Director - Chairman	6	Yes
Mr. Mahendra Agarwal	Promoter, Founder & CEO	6	Yes
Mr. N. Srinivasan	Independent Director	6	Yes
Dr. P.S. Reddy	Independent Director	4	Yes
Mr. Sunil Alagh	Independent Director	6	Yes
Mr. Yoshinobu Mitsuhashi	Nominee Director	6	Yes
Mr. Sanjeev Jain	Director - Finance	6	Yes
Mr. P.N. Shukla	Independent Director	6	Yes
Ms. Sheela Bhide	Independent Director	3	NA*

*Ms. Sheela Bhide was appointed as an Additional Director in the category of Independent Director w.e.f August 06, 2014.

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 and Annual results of the Company and its subsidiaries
- Detailed presentations on the business performance of the Company and its material subsidiaries
- 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

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 www.gati.com. All Board members and senior management personnel have affirmed compliance with the code of conduct. A declaration signed by the Managing Director to this effect is annexed at the end of this report.

Separate meetings of the Independent Directors

During the year under review, the Independent Directors met on December 6, 2014, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the Performance of the Chairman of the company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

Committees of the Board

The Board Committees focus on specific areas and make informed decisions within the authority delegated. Each such Committee is guided by its Charter, which defines the composition, scope and powers. The Committees also make specific recommendations to the Board on various matters whenever required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval.

The Company has four Board-level Committees, namely:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility 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 Agreements entered into with the Stock Exchanges.

The primary responsibilities of the Audit Committee are to:

1. Supervise the financial reporting process;
2. Review the quarterly and annual financial results before placing them to the Board along with related disclosures and filing requirements;
3. Review the adequacy of internal controls in the Company, including the plan, scope and performance of the internal audit function and remuneration of the Chief Internal Auditor;
4. Discuss with management, the Company's major policies with respect to risk assessment and risk management;
5. Hold discussions with statutory auditors on the nature and scope of audits and any views that they have about the financial control and reporting processes;
6. Ensure compliance with accounting standards and with listing requirements with respect to the financial statements;
7. Recommend the appointment and removal of statutory auditors and their fees;
8. Ensure that adequate safeguards have been taken for legal compliance for the Company;
9. Review related party transactions.

The Audit Committee entirely comprises of Independent Directors. 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 2014-15, the Audit Committee met five times viz., on May 6, 2014, August 6, 2014, October 29, 2014, January 14, 2015 and January 24, 2015. The below table gives the composition and attendance record of the Audit Committee.

S. No	Name	Position	Number of meetings during the year 2014-15	
			Held	Attended
1	Mr. N. Srinivasan	Chairman	5	5
2	Mr. P.N. Shukla	Member	5	5
3	Dr. P.S. Reddy	Member	5	4

The Audit Committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the Statutory Auditors and representatives of the Internal Auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.

Mr. N Srinivasan, Chairman of the Audit Committee has attended the previous Annual General Meeting held on August 5, 2014.

Nomination & Remuneration Committee:

The Board has constituted Nomination & Remuneration Committee consisting of 3 Independent Directors. The terms of reference of the Committee cover evaluation of compensation and benefits for Executive Director(s), Non-Executive Director(s), KMP, 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 2014-15, the Committee met three times viz., on May 6, 2014, August 6, 2014 and December 5, 2014. The below table gives the composition and attendance record of the Nomination & Remuneration Committee.

S. No	Name	Position	Number of meetings during the year 2014-15	
			Held	Attended
1	Dr. P.S. Reddy	Chairman	3	2
2	Mr. K.L. Chugh	Member	3	3
3	Mr. P.N. Shukla	Member	3	3

Remuneration policy:

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration. This Policy is accordingly derived from the said Charter.

1. Criteria Of Selection Of Non-Executive Directors

- The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the criteria of independence of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
 - Qualification, expertise and experience of the Directors in their respective fields;
 - Personal, Professional or business standing;
 - Diversity of the Board.
- In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

2. Remuneration

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission as detailed hereunder:

- A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;

- A Non-Executive Director will also be entitled to receive commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the N&R Committee;
- The N&R Committee may recommend to the Board, the payment of commission on uniform basis, to reinforce the principles of collective responsibility of the Board.
- The N&R Committee may recommend a higher commission for the Chairman of the Board of Directors, taking into consideration his overall responsibility;
- In determining the quantum of commission payable to the Directors, the N&R Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director.
- The N&R Committee may recommend to the Board, for the payment of additional commission to those Directors who are Members on the Audit Committee of the Board subject to a ceiling on the total commission payable as may be decided;
- In addition to the remuneration paid under Clause (ii) and (vi) above, the Chairman of the Audit Committee shall be paid an additional commission, as may be recommended to the Board by the N&R Committee;
- The total commission payable to the Directors shall not exceed 1% of the net profit of the Company;
- The commission shall be payable on prorata basis to those Directors who occupy office for part of the year.
- The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

3. Criteria for selection/appointment of CEO & Managing Director

For the purpose of selection of the CEO & MD, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

4. Remuneration for the CEO & Managing Director

- At the time of appointment or re-appointment, the CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the CEO & Managing Director within the overall limits prescribed under the Companies Act, 2013.
- The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- The remuneration of the CEO & Managing Director is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits. The variable component comprises performance bonus.

- iv. In determining the remuneration (including the fixed increment and performance bonus) the N&R Committee shall ensure / consider the following:
 - a) the relationship of remuneration and performance benchmarks is clear;
 - b) balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
 - c) responsibility required to be shouldered by the CEO & Managing Director, the industry benchmarks and the current trends;
 - d) the Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs.

5. Remuneration Policy for the Senior Management Employees

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the N&R Committee shall ensure / consider the following:

- i. the relationship of remuneration and performance benchmark is clear;
- ii. the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
- iii. the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
- iv. the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.

The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned hereinabove, whilst recommending the annual increment and performance incentive to the N&R Committee for its review and approval.

Directors Remuneration

The remuneration paid/payable to the Executive Directors is given below:

a) Executive Director:- (Rs. in Mn)

Particulars	Mr. Sanjeev Jain
Salary & allowances	6.01
PF contribution /Superannuation funds	0.62
Rent Free Accommodation / Perks / incentives	1.08
TOTAL	7.71

Stock options (No.): 1,50,000 Notice period : 3 months

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 2014-15 and, proposed commission, stock options granted, accepted & outstanding are as follows:

Name	Sitting fee (Rs.)	Commission (Rs.)	Stock options * (Nos.)	Equity Shares (Nos.)
Mr. K.L. Chugh	2,80,000	5,00,000	52,500	22,500
Mr. N. Srinivasan	4,10,000	3,50,000	52,500	36,500
Dr. P.S. Reddy	3,40,000	2,50,000	52,500	37,500
Mr. Sunil Alagh	3,00,000	2,50,000	52,500	77,500
Mr. P.N. Shukla	4,10,000	2,50,000	14,000	6,000
Ms. Sheela Bhide	1,70,000	2,50,000	--	--
Mr. Yoshinobu Mitsuhashi	--	2,50,000	--	--
TOTAL	19,10,000	21,00,000	2,24,000	1,80,000

*Stock options granted, accepted and outstanding as on 31.03.2015

Commission for the financial period 2014-15 will be paid to the Directors after adoption of accounts by the shareholders at the ensuing Annual General Meeting.

Other than above, there were no pecuniary relationships or transactions with the non-executive director's vis-à-vis the company.

Stakeholders Relationship Committee (Previously Investors' Grievance Committee):

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:

1. Review of investor complaints and their redressal;
2. Review the performance of the share transfer agent;
3. Review of corporate actions related to shareholder issues;
4. Review of stakeholders' queries & grievances.

The Committee consists of two Directors, Mr. Sunil Kumar Alagh, Chairman & Mr. Mahendra Agarwal, Member. During the financial year 2014-15, the Stakeholders' Relationship Committee met once viz., on October 29, 2014 and all the members were present for the meeting.

Mr. VSN Raju, Company Secretary of the Company, officiates as secretary of the Committee and is also designated as Compliance Officer in terms of the Listing Agreement entered into with the Stock Exchanges.

In order to expedite the process of share transfers, the Board has delegated the powers to officers of the Company. The delegated authority attends to share transfer formalities at least once a fortnight, as required.

An analysis of the investor complaints received and redressed during the financial year 2014-15 is given below:

S. No.	Nature of Complaint	Received	Disposed	Pending
1	Non receipt of dividend warrants	14	14	NIL
2	Non receipt of Annual Report	2	2	NIL

Name, designation and address of Compliance Officer:
Mr.VSN. Raju

Company Secretary and
Chief Investor Relations & 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

General Body Meetings
(a) Annual General Meeting:

Date of AGM	Time	Venue	No. of Special resolutions passed
August 5, 2014	11.00 A.M	Hotel Novotel Hyderabad Convention Centre, Novotel & HICC Complex, Cyberabad post office, Hyderabad - 81.	6
November 6, 2013	10.30 A.M	Hotel Radison BLU, 8-2-409, Road No.6, Banjara hills, Hyderabad – 500034	1
October 19, 2012	10.30 A.M	Hotel Radison BLU, 8-2-409, Road No.6, Banjara hills, Hyderabad – 500034	2

(b) Extraordinary General Meeting:

During the year, an Extraordinary General Meeting of the Company was held on March 20, 2015 for offer / issue of securities.

Postal Ballot:

During the year, the Company has not transacted any business through postal ballot.

Subsidiary Companies:

The Board of Directors has reviewed the financial statements and minutes of the board meetings of Gati-Kintetsu Express Private Limited (Gati-KWE), the materially unlisted subsidiary company. Ms. Sheela Bhide, Independent Director of the Company is also on the Board of Gati-KWE.

Disclosures

- There are no materially significant related party transactions that may have potential conflict with the interest of the Company at large. However, the other related party transactions form part of the financial statements.
- Except as specified below there were no non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

In response to company's application to Reserve Bank of India (RBI) seeking permission for part repurchase of FCCBs, RBI vide its letter dated 27th September, 2013 accorded permission while stating that the Company was not eligible borrower under the automatic route and the borrowing be treated as a Foreign Debt. The Company was levied a compounding fee of Rs. 29.59 mn which the Company has since deposited during the year and is disclosed as an exceptional item in the Statement of Profit and Loss.

The company is awaiting clarification from the Reserve Bank of India on various matters pertaining to FCCB issued by the company. In the meanwhile the trustee of the bond holders has filed a civil suit in the Secunderabad Court for specific performance, which the company is contesting. The matter is subjudice.

(iii) Whistle blower policy

The company has put in place a mechanism of reporting illegal or unethical behaviour. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor/notified persons. The reports received from any employee will be reviewed by the audit committee. The Directors and senior management are to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practice.

The Company affirms that no personnel have been denied access to the audit committee during the financial year 2014-15.

- The Company has complied with all mandatory requirements of Clause 49 of the listing agreement.

The Company is preparing its financial statements in line with the accounting standards issued by the Institute of Chartered Accountants of India and the company has not raised any fresh funds from the public or through Right or Preferential Issue.

CEO and CFO Certification:

The Chief Executive Officer and the Chief Financial Officer of the Company give certification on financial reporting and internal controls to the Board as required under Clause 49(IX) of the Listing Agreement.

Means of Communication

The quarterly & half-yearly un-audited financial results and annual audited results of the Company were generally published in Business Standard / Financial Express, national level English newspaper(s) as well as Andhra Prabha, regional language newspaper circulating in the state of Telangana. The results are also displayed on the Company's website "www.gati.com". Official news releases, detailed presentations made to media, analysts, institutional investors, etc are displayed on the company's website www.gati.com and also sent to stock exchanges.

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, 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, among others are also filed electronically on the Listing Centre.

E-voting

Pursuant to the requirements of the Companies Act, 2013 and the Listing Agreement, company is providing e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at the General Meetings.

Non-Mandatory Requirements

Audit qualification

The Company is in the regime of unqualified financial statements.

Separate posts of Chairman and CEO

Mr. K L Chugh is Non-Executive Independent Director & Chairman and Mr. Mahendra Agarwal is the Managing Director & CEO of the company.

Reporting of Internal Auditor

The Internal Auditor directly reports to the Audit Committee.

General Shareholders' Information

Annual General Meeting:

Date: July 30, 2015

Time: 11.00 a.m

Venue: Hotel Novotel, Hyderabad Convention Centre, Novotel & HICC Complex, Cyberabad post office, Hyderabad - 81.

Financial Year:

The financial year of the company is from 1st April to 31st March of the next year.

Book Closure dates: The dates for book closure are from July 23, 2015 to July 30, 2015 (both days inclusive) for the purpose of payment of dividend.

Dividend

The Board of Directors has proposed a dividend of Rs. 0.80 per share (40%) on equity shares of Rs. 2/- each. The Dividend if declared by the shareholders at the 20th Annual General Meeting scheduled to be held on July 30, 2015, will be paid within stipulated time i.e. 30 days from the date of declaration.

Unclaimed dividend

The shareholders and other stakeholders are hereby informed that pursuant to the provisions of Section 205A(5) of the Companies Act, 1956 all dividends remaining unpaid / unclaimed for a period of seven years from the date they became due for payment will have to be transferred to the Investors' Education and Protection Fund (IEPF) set up by the Central Government. The details of outstanding dividend accounts are given below.

Sl. No	Dividend for the year	Dividend %	Date of declaration	Due date for transfer
1	2007-08 : Final	40	22.10.2008	21.11.2015
2	2009-10 : Final	20	27.10.2010	26.11.2017
3	2010-11 : Final	25	16.11.2011	15.12.2018
4	2011-12 : Interim	30	29.06.2012	28.07.2019
5	2011-12 : Final	25	19.10.2012	18.11.2019
6	2012-13 : Final	30	06.11.2013	05.12.2020
7	2013-14 : Final	35	05.08.2014	04.09.2021
8	2014-15: Interim	30	05.12.2014	04.01.2022

Listing on Stock Exchanges

The Company's shares are listed on BSE Limited, Mumbai and the National Stock Exchange of India Limited, Mumbai. The FCCBs bonds are listed with Singapore Stock Exchange Limited (SGX-ST).

The listing fee for the year 2015-16 has been paid to all the above stock exchanges.

Stock Code:

- a) Trading scrip code on Bombay Stock Exchange : 532345
- b) Trading scrip code on National Stock Exchange : GATI

International Securities Identification Number (ISIN):

ISIN is a unique identification number of traded scrip. The Company's ISIN for equity shares is INE152B01027.

Monthly high / low stock quotations at BSE & NSE

(Amount in Rs.)

Month	NSE		BSE	
	High	Low	High	Low
Apr-2014	94.40	80.00	94.20	80.00
May-2014	124.50	81.00	124.70	81.00
Jun-2014	136.30	112.00	136.40	112.40
Jul-2014	126.00	102.00	125.75	101.65
Aug-2014	149.60	114.50	150.00	114.00
Sep-2014	206.40	142.00	206.00	140.00
Oct-2014	212.65	170.40	212.50	170.50
Nov-2014	342.00	196.00	341.60	195.75
Dec-2014	288.40	217.00	288.40	217.00
Jan-2015	304.90	246.45	304.90	247.00
Feb-2015	263.90	220.10	264.10	220.50
Mar-2015	251.70	195.55	251.70	195.30

Share price performance in comparison to broad based indices - BSE Sensex

Particulars	Gati share price v/s NSE		Gati share price v/s BSE	
	Share price (Rs.)	NSE Nifty	Share price (Rs.)	BSE Sensex
As on April 1, 2014	80.50	6730	81.00	22455
As on March 31, 2015	216.55	8491	216.05	27957
Change (%)	169	26	167	24

Total equity as on March 31, 2015 was 8,74,77,537 (previous year 8,72,64,087) equity shares of Rs.2/- each.

Share Transfer System

All queries and requests relating to share/debenture transfers/transmissions may be addressed to our Registrar and Transfer Agent:

Karvy Computershare Private Limited

(Unit: Gati Limited)

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31-32, Gachibowli

Financial District, Nanakramguda,

Hyderabad – 500 032

Tel. No: 040 6716 2222, Fax No. : 040 - 2300 1153,

Toll Free No. : 1800 345 4001

E-mail: mohsin.mohd@karvy.com

Share transfers, if documents are found to be in order, are registered and returned in the normal course within two weeks from the date of receipt of the documents.

Dematerialization of Shares

The Company's scrip forms part of the compulsory dematerialization segment for all investors with effect from August 28, 2000. To facilitate easy access of the dematerialized system to the investors, the Company has signed up with both the depositories namely the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and has established connectivity with the depositories through its Registrar and Transfer Agent, Karvy Computershare Private Limited.

98% of the total shares have been dematerialized upto March 31, 2015. Dematerialization of shares is done through Karvy Computershare Private Limited and on an average the dematerialization process is completed within 7 days from the date of receipt of a valid dematerialization request along with the relevant documents.

Particulars	Shares on March 31, 2015	%
Physical Shares	15,54,898	1.78
NSDL	7,62,62,437	87.18
CDSL	96,60,202	11.04
Total	8,74,77,537	100.00

Secretarial Audit

As stipulated by SEBI, a Qualified Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

Distribution Schedule as on March 31, 2015:

No. of shares		No. of Shareholders	% of total Shareholders	No. of shares	% to Total Capital
Upto	5000	60,800	98.18	1,12,53,680	12.86
5001	10,000	538	0.87	19,91,968	2.28
10,001	20,000	260	0.42	19,42,868	2.22
20,001	30,000	94	0.15	11,74,524	1.34
30,001	40,000	49	0.08	8,82,534	1.01
40,001	50,000	26	0.04	6,02,602	0.69
50,001	1,00,000	78	0.13	28,01,455	3.20
1,00,001	And above	84	0.14	6,68,27,906	76.39
Total		61,929	100.00	8,74,77,537	100.00

Distribution of Shareholding on the basis of ownership

Sl. No	Description	No. of shares as on March 31, 2015	% Equity
1	Company Promoter / Promoter group	3,61,28,601	41.30
2	Foreign Institutional Investors	1,24,93,250	14.28
3	Banks / Mutual Funds	4,42,855	0.51
4	Bodies Corporate	52,77,108	6.03
5	Individuals / HUF	2,97,31,461	33.99
6	Non Resident Indians	34,04,262	3.89
	TOTAL	8,74,77,537	100.00

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

The Company allotted FCCBs amounting to USD 22.182 Million FCCBs in December 2011. FCCBs amounting to USD 22.182 Million are outstanding as on the date of this report.

In response to the Company's application to Reserve Bank of India (RBI) seeking permission for part repurchase of FCCBs, RBI vide its letter dated September 27, 2013 accorded permission while stating that the Company was not eligible borrower under the automatic route and the borrowing be treated as a Foreign Debt. The Company was levied a compounding fee of Rs. 29.59 Mn, which the Company has since deposited during the year and is disclosed as an exceptional item in the Statement of Profit and Loss.

The Company is awaiting clarification from the Reserve Bank of India on various matters pertaining to FCCB issued by the Company. In the meanwhile the trustee of the bond holders has filed a civil suit in the Secunderabad Court for specific performance, which the Company is contesting on various grounds. The matter is subjudice.

Plant location - None

Investor Correspondence

For queries relating to shares:

Karvy Computershare Pvt. Ltd.
(Unit Gati Limited)
Karvy Selenium Tower B
Plot 31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad – 500 032
Tel. No: 040 6716 2222, Fax No.: 040 - 2300 1153,
Toll Free No. : 1800 345 4001
E-mail: mohsin.mohd@karvy.com

For queries relating to Financial Statements and other contents of Annual Report:

Gati Limited
Corporate Compliance Department
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

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Gati Limited,

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges of India, for the financial year ended 31st March 2015.

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, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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 dvmgopal & associates
Company Secretaries

Place: Hyderabad
Date: April 28, 2015

dvm gopal
Proprietor
CP no. 6798
FCS no. 6280

Declaration

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, 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, 2015.

for GATI LIMITED

Place: Hyderabad
Date: April 28, 2015

Mahendra Agarwal
Founder & CEO
DIN: 00179779

Management Discussion & Analysis

Overview of the Indian Economy

The total GDP of India was ₹ 99.2 trillion at constant (2011-12 prices) and ₹ 113.45 trillion at current prices, in fiscal 2014. (Source: Press Note, MOSPI, 9-Feb-2015). India has been one of the fastest growing economies in the past decade. The growth in GDP during 2014-15 is estimated at 7.4% (based on constant (2011-12 prices)) as compared to the growth rate of 6.9 per cent in 2013-14 (Source: Press Note, MOSPI, 9-Feb-2015). With a fall in inflation over the last few quarters, consumer discretionary spending is expected to increase.

Indian Logistics Industry

The Indian logistics sector has typically been driven by the objective of reducing transportation costs that were (and often continue to be) inordinately high due to regional concentration of manufacturing and geographically diversified distribution activities as well as inefficiencies in infrastructure and accompanying technology. However, driven by strong fundamentals and consistent demand, the resilient Indian economy, in general and, the logistics sector in particular, are seemingly well-positioned to sail through turbulent global economic uncertainty. (Source: NSDC's Sector wise Skill Gap report 2013-2022). Rising investment, rapidly evolving regulatory policies, mega infrastructure projects and several other developments in recent times have driven the Indian logistics market, simultaneously, also overcoming infrastructure-related constraints and logistics-centric inefficiency.

Express Logistics

The Express logistics market in India is about USD 3.5 bn and is growing at ~16% CAGR. It is a fragmented industry with large number of players, estimated at about 2,500. However, there has been considerable consolidation of the industry over the years and the large organized players, including government postal department, presently have about 72% share.

The Indian contract logistics market, though presently at a nascent stage, compared to other developed economies, has grown significantly in the last decade. Its penetration in the logistics sector increased from 12 percent in 2010 to 18 percent in 2012, highlighting significant growth opportunities. (Source: NSDC's Sector wise Skill Gap report 2013-2022)

e-Commerce Logistics

As more consumers continue to move up the socio-economic ladder, online shopping is becoming a preferred means of shopping due to its convenience and wider options. Online retail, while today representing a small fraction of the e-commerce space is one of the fastest growing segments. Online shopping of physical goods in India, will grow to \$8.5Bn in 2016. Number of online shoppers in India will more than double to 40M. (Source: India e-commerce, Accel Partners, 2014).

Cold Chain Logistics

India's cold chain sector is still developing in comparison to developed economies. Complicated supply chain, limited resources and several other challenges result in the wastage of 25-30 percent of agricultural produce every year. Valued at Rs. 132 billion in 2012, the Indian cold chain industry is expected to grow at a CAGR of 16 percent until 2016-17. Transportation is expected to grow at a higher CAGR of

18 percent as compared to storage, which is expected to grow at a CAGR of 16 percent during 2012-17.

Growth Drivers of Domestic Logistics:

The growth drivers of the logistics sector are fundamentally strong and have remained so over the last decade:

Infrastructure investments: Infrastructure spending, as outlined in the budget, is set to increase by Rs. 140 bn for roads and Rs. 100 bn for rail

Economic growth: Traditionally, Logistics sector has grown at ~1-1.5x India's GDP growth.

Supply Side shifts: Increased offering of industry specific value-added solutions. Rising private sector investments in select segments. Better quality services with technology adoption, efficient transportation and 3PL services

Growing Demand: Demand from Auto, organised retail, pharma, BFSI, e-Commerce, electronics to drive growth. Players offering integrated solutions to benefit from rising demand

Evolving regulation: GST to be implemented by April'16. Growing privatization of Container Train Operators, rail infrastructure. Public Private Participation thrust at ports, airports, roads, logistics parks, etc.. Enabling regulation for coastal shipping and road transportation (Source: NSDC's Sector wise Skill Gap report 2013-2022)

Our Competitive Strengths

Our business strategy is to achieve and maintain leadership positions in our current areas of operations and areas we plan to expand into. Likewise, we believe that the following are our principal competitive strengths, which will continue to help us move in the direction we have set ourselves.

Integrated service offering

The company provides a broad range of logistics services to our customers seeking to use a variety of transportation options to optimize their supply-chain needs. The increasing scale and complexity of our customers' operations has driven demand for logistics providers that can offer a full spectrum of logistics services across multiple geographies. Our ability to fulfil their requirements by being an end-to-end logistics partner allows our customers to reduce the number of service providers they engage, thus saving them time and money and ultimately simplifying their operations, while also providing enhanced cost competitiveness.

Strong network coverage and wide geographical reach

To support our growth initiatives, we have established an integrated branch network that has helped to optimize operational costs and improve our ability to deliver our services to our customers effectively. We operate through more than 550 operating units in over six countries. These operating units help us provide wide geographical reach with last mile connectivity, which is critical to the success of our express distribution and e-Commerce logistics business. Our organization combines the benefits of this established pan-India network with the local market knowledge of our branch-level employees to provide our customers with extensive reach to service their requirements.

Information Technology capabilities

Information technology is a critical differentiator in the logistics industry, providing the crucial ability to track the locations of large numbers of products along the supply chain. We have developed our proprietary enterprise resource planning software, GEMS (Gati Enterprise Management Systems). The advanced IT system ensures sharing of operations data between our operations, our customers and our service providers in order to facilitate warehouse management, route optimization, freight consolidation, back office functions and other services.

Long term relationships with clients

We cater to large corporates across various industry sectors. For our express distribution and supply chain solutions, we count leading players from the automobiles, electronics, pharmaceutical and FMCG sectors as our long standing customers. We serve over 9,000 customers across supply chain services and our customer base is an important growth mechanism for us. Within a short time since its inception, our e-Commerce logistics offering is providing services to all major e-commerce players. We focus on building and maintaining long-term customer relationships. We have built a leading and trusted brand that stands for quality service and reliability.

Professional and experienced Board and management team

The Company has an experienced Board that oversees and guides our strategy and operations. Our Board has constituted several sub-committees including the Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee and CSR Committee for timely decision-making and to ensure effective governance. Our directors include individuals experienced in a wide range of subjects relevant to our business including logistics FMCG, hospitality, healthcare, telecom, law, finance and international trade.

Our Business Strategy

By executing our strategy, we have built leading positions in some of the fastest-growing sectors of transportation logistics. Our presence in the fast growing e-Commerce and cold chain sector, we believe, will drive our business going forth. We believe growing profitability and increasing shareholder value will accrue by pursuing and executing the following business strategies:

Optimization of operations

Our reputation is based on our service levels that we provide, tailored to our customers' shipping needs, as we compete in a premium service based on reliability, timeliness and visibility. Our operations strategy includes increasing the package volumes moving through our network and broadening the scope of our service offerings in high-growth segments. In connection with this strategy, we are continuing to optimize our existing operations by implementing advanced information technology and leveraging our carrier capacity across services we offer. Our company has implemented certain initiatives that we believe are necessary for future success and growth, through our initiative "Udaan". The operational initiative under this Udaan include:

- National Grid Initiative: A centrally controlled national grid supported by a regional dynamic network.
- Network Optimization
 - Strategic long term decision indicating the location of our operating units.

- Medium term decision indicating the route optimization.
- Short term decision indicating the vehicle count, capacities & schedules

Expanding operations in high growth industries

We believe that as one of the leading e-Commerce logistics service providers, we are strategically placed to benefit from the expected growth in the industry. With the Indian e-Commerce industry set to grow at a rapid pace, and achieve a GMV of US\$9bn by CY16, clocking 12 million orders per month, we believe that this will provide logistics providers with growth opportunities (Source: Accel Partners). Valued at Rs.132 billion in 2012, the Indian cold chain industry is expected to grow at a CAGR of 16 percent until Fiscal 2017. Transportation is expected to grow at a higher CAGR of 18 percent as compared to storage, which is expected to grow at a CAGR of 16 percent during Fiscal 2017. With an established presence in cold chain, we are well positioned and will be able to capitalize on the growth opportunity that this presents. We plan to setup 17 cold chain warehouses and expand the reefer fleet size to 375 by Fiscal 2017.

Our growth strategy for our cold chain operations, is to complement our delivery capabilities with cold warehouse development. Likewise, we will be strengthening our sales structure and operational processes to support an end-to-end cold chain solution. On our e-Commerce logistics operations, our strategic initiatives remain to support the volume growth through investment in new facilities, infrastructure and technology

Increasing preparedness of our clients for regulatory change

The implementation of GST, we believe, will be a major game-changer in the logistics industry. Many end users will revamp their supply chains, realigning the locations of warehouses, corridors used and transportation options exercised, thus generating tremendous business opportunities for logistics firms specializing in supply chain reengineering as well as for providers of network optimization tools such as transportation management systems (TMS). Re-organized countrywide networks would decrease cost of primary freight since warehousing locations are likely to be placed closer to consumption locations. In contrast, this would increase secondary freight due to fewer warehouses. We believe that being a large player in the logistics sector, we would be well positioned to offer services under the new GST regime. We have had discussions at various levels within our organization as well as our customer organizations to understand the potential impact that the implementation of GST will have on the operations of our customers.

Financial Performance

Revenue from Operations

Gati at a consolidated level recorded an operating revenue of Rs. 16,481 Mn registering a growth of 15% as compared to the corresponding previous 12 month period. The growth is fuelled by a triple digit growth (164%) in e-Com business and 11% growth in Gati-KWE. The freight forwarding business of Gati and trading business of GIETL has seen a growth of over 40%.

Other Income

Other income primarily represents the interest earned from interest on debentures subscribed by the company and interest on fixed deposit made by the group to the extent of Rs. 93.8 Mn and profit on sale of fixed assets to the extent of Rs. 12 Mn. This also includes exchange gain booked on translation of financial statements of the foreign subsidiaries to the extent of Rs. 31.7 Mn.

Operating Expenses and Consumption of stock

Operating Expenses as percentage of Operating revenue has declined due to increasing proportion of e-Commerce business in the overall revenue of the group and exit of shipping business.

Employee Benefit Expenses

Employee expenses in the group has gone up by 16% as compared to the corresponding previous 12 month period. This has increased due to increased manpower in eCom & and Express Distribution segments to cater to future growth.

Finance cost

Finance cost has come down at the consolidate level due to use of products like CP (commercial papers) and WCDL (Working Capital Demand Loan) in Gati-KWE to replace working capital loans partly.

Depreciation

Depreciation has increased due to change in estimated useful life of the assets in compliance with the requirements of Schedule II of the Companies act 2013 and due to increased level of amortization of Foreign Currency Monetary Translation Difference Account.

Other Expenses

Other expenses has increased due to network expansion in the express distribution business to cater to future growth and increase in operations. This increase in cost is also due to expansion of e-Fulfillment centres which are expected to generate revenue in the coming years.

Risk Assessment & Mitigation

In today's economic environment, Enterprise Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. Your Company's risk management is embedded in the business processes. Your company has identified the following risks:

Industry Risk

Logistics industry is prone to macroeconomic fluctuations in the domestic and global markets, variations in industrial production, interest rate, currency and fuel price fluctuation, government policies and regulations.

Your Company offers services in all aspects of logistics and supply chain management to a diverse range of industries. Your company keeps a close watch on the economic environment and timely actions are taken accordingly. These measures help us to mitigate the industry risks. Also, our internal systems and processes are constantly reviewed and revamped as per industry best practices.

Brand Equity & Quality Risk

We are in the service business wherein maintaining a good reputation and customer confidence in our services is critical to our business. With the manifestation of social networking and our growing B2C business through e-Commerce, anything that damages our reputation over digital media can be a loss of brand equity and therefore a risk to the business.

Your Company continuously upgrades its services through advancement of technology and up-gradations, business process re-engineering and by imparting training to its employees & business partners at all levels on regular basis.

Cash on Delivery (COD) & Stock Risk

E-commerce is an emerging sector where your company delivers the shipments on Cash on delivery basis. The cash collected against value of shipments is in turn remitted to e-tail customers. There are multiple risk involved in Cash transaction in addition to a threat of Damage, Pilferage / Shrinkage or loss of cargo due to normal transit hazards, accidents or hijacking of trucks or force majeure.

We have availed of Cash Management System facility at all our branches wherever there is high cash movement. Money-In-Transit & Fidelity Guarantee Insurance policies have been taken as a back-up. All vehicles are insured against loss or damage due to accident. We have installed VTS devices and OCC (Operations Control Centre) is monitoring all our vehicles 24/7 to ensure safety of cargo & vehicles. To mitigate risk of pilferage from warehouses we have installed CCTV cameras at all locations and is centrally monitored through OCC.

Competition Risks

Being part of a fragmented industry, Gati faces significant competition at local, regional and national levels. Our competitors operate with business models that allow them to offer services and pricing that Gati may not be willing or able to offer to cost-sensitive customers.

Your company continuously efforts to enhance the brand image by focusing on R&D, quality, cost, timely delivery and customer service. By introducing new services commensurate with customer demands, your company plans to mitigate the risks so involved.

Interest rate risk

Any increase in interest rate can affect finance cost.

Your company has a highly competent finance department that keeps constant tabs on the Money market to ensure no opportunity of low cost finance is lost; and bring down the cost of finance to lowest possible level. There has been improvement in Credit Rating which also has contributed in bringing down the finance cost.

Credit Risk

Increase in working capital requirement due to delay in collection of receivables.

A well defined process of credit approval is in place and a dedicated Customer Financial Service team evaluates Credit worthiness through KYC and takes care of all Credit Customers & Contract Management.

Fuel Price risk

Our operating model has high exposure to fuel costs and changing Diesel and Aviation Turbine Fuel costs can have a significant impact on our operations. Domestic prices are affected by International crude oil prices per barrel and there are regular fluctuations in fuel prices.

The last two quarters saw the price of diesel (measured as average in four metros) dropped

by over 20% in Feb'15 from its peak in Aug'2014, and rise from there to about 7% in May'15. Your company has acted promptly and pro-actively engaged with customers and vendors to evolve a policy equilibrium to mitigate the volatility of diesel fuel prices in the long-term.

Compliance Risk- Increasing regulatory requirements

Any default can attract penal provisions.

By regularly monitoring and review of changes in regulatory framework. By ensuring legal compliance and conducting regular internal audit by professionals.

Industrial Safety, Employee Health & Safety Risk

The Logistics industry is labour intensive and is exposed to accidents, health and injury risk due to human negligence or natural illness etc.

Safety standards have been implemented across all Operating Units. The Corporate HR takes care of various Employee / Non-employee welfare measures such as Group Term Life Insurance, Group Medical Insurance, Group Personal Accident, Employee State Insurance, Rasta AapatiKavach, etc are few among those.

Foreign Exchange Fluctuation Risk (FEFR)

Your company has issued Foreign currency convertible bonds which is exposed to FEFR. Payment to freight forwarders and agents abroad are also prone to FEFR.

FCCB issued are zero coupon bonds and repayable in 2016. Other FEFR are monitored regularly and expert advice is regularly sought for mitigation of the same.

Technology Risk & Business Continuity Process Risks

Our ability to serve clients depends on how well we leverage technology. We use technology systems to create and manage dockets, route trucks, and track-n-trace packages, manage inventory in our warehouses and manage all of our day-to-day business. Any disruption to the IT assets or the database will affect the quality of services provided by the Company and will not be able to provide real time update on the movement of shipment to the customers which results in loss of reputation.

The Company has a disaster recovery setup for all the IT core application at Sify's data centre, to mitigate the all sorts of technology risks.

Legal Risk

Legal liability on account of claims due to service deficiency or a third party claim on company or its Directors or Officers.

We have Courier Legal Liability, Commercial General Liability and Directors and Officers Liability policy to mitigate the risk involved in business operations.

HR Risk

Failure to attract & retain talent or to implement an effective succession plan for key positions or to continuously update employees skills sets in line with current and future requirements may adversely affect the Company's performance

We have well defined appraisal system in place. All high performance employees are given periodical trainings and duly rewarded for their performance.

Internal Control Systems and Their Adequacy

Your Company has in place an adequate system of internal controls commensurate with its size & nature of operations, along with well-defined organisation structure & documented policy guidelines & procedures, predefined delegation of authority covering all corporate functions and all operating units. Systems of internal controls are designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations.

Adequate internal control measures are in the form of various policies & procedures issued by the Management covering all critical and important activities viz. Contract Management, Operations,

Procurement, Finance, Human Resources, Safety, etc. These policies & procedures are updated from time to time and compliance is monitored by Internal Audit Function. The Company at all-time continues its efforts to align all its processes and controls with industry best practices. The internal audit function based on the audits of operating units and corporate functions highlights various risks and provide constructive recommendation on regular basis for the Operating Units to improve on moderate & 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.

Human Resources @ Gati

People are our greatest asset and we fondly refer to them as "Gati'ites". We owe our success to the dedication and commitment of our Gati'ites. To retain leadership position, Gati continuously innovates, automates and customizes its Human Resource strategy to meet changing Gati'ites needs. The endeavour is to create a performance based culture where performance is rewarded and Gati'ites get an opportunity to explore and realise their potential.

With a diverse talent base of 3800 plus high-calibre Gati'ites of which Gen Y comprises 65% of workforce. Gati continuously invest in Learning & Development program to be future ready and support its business growth in challenging environment.

We have a structured "Capability Development" program to upgrade domain expertise and Leadership capabilities across levels and functions. Future Leadership Identification Program (FLIP) targets "Key Talent" at middle management level facilitating Potential development, engagement and offering fast track career growth. Leadership development programme for top management is facilitated through 360 degree feedback and Individual Development Program (IDP).

To infuse fresh perspective and diversity we have hired talent from across industries and experience groups. The academic interface was strengthened and expanded to reach top educational institutions with a structured career progression path.

Human Resource is aligned to business needs envisaging a boundary less workplace ensuring free flow of ideas and information through unified organisation structure and defined processes. The rigorous focus on talent engagement, defined career progression and benchmarking of compensation & benefits has helped Gati to attract and retain the best talent and emerge as a preferred employer.

Independent Auditor's Report

To the Members of Gati Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Gati Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information for the year ended on that date in which are incorporated the returns for the year ended on that date audited by the branch auditor of the Company's branch in Nepal.

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 Companies Act, 2013 ("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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

1. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
2. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015, and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following notes:

- (a) Note 28 of the financial statements regarding the scheme of arrangement for amalgamation (the Scheme) sanctioned by the Hon'ble Andhra Pradesh High Court by its order dated March 19, 2013. The Scheme permits the company to create a capital reserve to be called special reserve to which shall be credited excess of value of assets over value of liabilities on amalgamation amounting to Rs. 555.54 crores to be utilized to adjust therefrom any capital losses arising from transfer of assets and certain other losses as specified in the Scheme and as the Board of Directors may deem fit. Accordingly the irrecoverable advances to Gati ship Limited of Rs. 23.84 crores net of Rs. 30.22 Lacs realized on sale of 12.10 Lacs equity shares of Gati ship Limited has been adjusted to special reserve which is not in accordance with Accounting Standard (AS) 5 'Net profit or loss for the period, prior period items and Changes in Accounting Policies' and Accounting Standard (AS) 13 'Accounting for Investments'. This has resulted in the profit for the period before tax and profit after tax for the period being higher by Rs. 23.84 crores.

- (b) Note 30 of the financial statements regarding non provision against investment and other receivables from the subsidiary Zen Cargo Movers Pvt. Limited amounting to Rs.36.22 Lacs and Rs. 147.61 Lacs respectively as in the opinion of management no provision is necessary considering the expected improvement in performance of the subsidiary in near future.
- (c) Note 31 of the financial statements regarding certain loans and advances to subsidiaries and an associate aggregating to Rs.23.66 crores in respect of which the management is confident of its full recovery.
- (d) Note 32 of the financial statements regarding non provision for dues of Rs.12.15 crores from a body corporate as the management is confident of its full recovery.
- Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, 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 purpose 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
 - c. The report on the accounts of the branch office of the Company audited under Section 143(8) of the Act by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report;
 - d. the standalone financial statements dealt with by this report are in agreement with the books of account and with the returns received from the branch not visited by us;
 - e. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - f. On the basis of the written representations received from the directors as on 31 March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164(2) of the Act;
 - g. 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. As detailed in Note 36, 40 and 41(a)(iii) of the notes to the standalone financial statements, the Company has disclosed the impact of pending litigation on its 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Camp: Hyderabad
Date: 28th April 2015

For R.S. Agarwala & Co.
Chartered Accountants
Firm's Regn. No.: 304045E

R.S. Agarwala
Partner
Membership No.: 005534

Annexure to the Independent Auditor's Report of even date to the members of Gati Limited on Financial Statements for the year ended 31st March 2015

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets like land, building, vehicles, plant and equipments, computers etc. We are informed that a test physical verification of these assets was carried out by the management during the year and no material discrepancies were noticed. The management has informed us that in respect of other fixed assets like furniture and fittings, office equipments, having regard to their numbers and the numerous locations where these exist, maintenance of detailed records and reconciliation of their value in general ledger is not feasible
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has granted unsecured loans and advances to companies, firms or other parties covered in the register maintained under Section 189 of the Act. There are no stipulations as to the dates for repayment of principle and interest.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) In our opinion, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, in this regard.
- (vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

Nature of dues	Amount (in crores)	Forum where dispute is pending
Income Tax	56.35	Commissioner (Appeals)
Service Tax	2.84	Central Excise and Service Tax Appellate Tribunal

- (c) The Company has transferred the amount required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder within the specified time.
- (viii) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (ix) In our opinion, the Company has not defaulted in repayment of dues to any financial institution or bank or to debenture-holders during the year.
- (x) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are not, prima facie, prejudicial to the interest of the Company.

- (xi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xii) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

Camp: Hyderabad
Date: 28th April 2015

For R.S. Agarwala & Co.
Chartered Accountants
Firm's Regn. No.: 304045E

R.S. Agarwala
Partner
Membership No.: 005534

Balance Sheet as at 31st March 2015

(Rs. in Million)

Particulars	Note	As at 31st March 2015	As at 31st March 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	174.96	174.53
Reserves and Surplus	2	6,025.62	6,225.40
		6,200.58	6,399.93
Non-Current Liabilities			
Long Term Borrowings	3	2,091.71	1,713.09
Deferred Tax Liabilities (Net)	4	28.20	11.75
Other Long Term Liabilities	5	12.03	5.51
Long Term Provisions	6	286.51	186.33
		2,418.45	1,916.68
Current Liabilities			
Short Term Borrowings	7	287.06	137.58
Trade Payables	8	251.63	268.10
Other Current Liabilities	9	686.35	570.10
Short Term Provisions	10	184.47	167.62
		1,409.51	1,143.40
Total		10,028.54	9,460.01
ASSETS			
Non - Current Assets			
Fixed Assets	11		
- Tangible Assets		1,276.67	680.15
- Capital Work in progress		15.83	375.50
Non-Current Investments	12	6,583.20	6,436.89
Long Term Loans and Advances	13	294.23	252.54
Other Non-Current Assets	14	17.17	17.38
		8,187.10	7,762.46
Current Assets			
Inventories	15	9.06	15.68
Trade Receivables	16	626.29	379.12
Cash and Cash Equivalents	17	125.17	130.56
Short Term Loans and Advances	18	1,080.92	1,172.19
		1,841.44	1,697.55
Total		10,028.54	9,460.01
The Notes form an integral part of these Financial Statements.	1-44		

In terms of our Report of even date attached

For and on behalf of the Board

For R.S.Agarwala & Co.
Chartered Accountants
Firm's Regn No.: 304045E

Sanjeev Jain
Director Finance
DIN:05325926

KL Chugh
Chairman
DIN: 00140124

Mahendra Agarwal
Founder & CEO
DIN: 00179779

R. S. Agarwala
Partner
Membership No. 005534

VSN Raju
Company Secretary
M.No.A11701

N. Srinivasan
Director
DIN: 00004195

Camp: Hyderabad
Date: April 28, 2015

Statement of Profit and Loss for the year ended 31st March 2015

(Rs. in Million)

Particulars	Note	Twelve months ended 31st March 2015	Nine months ended 31st March 2014
REVENUE			
Revenue from Operations	19	4,432.50	2,521.38
Other Income	20	113.24	104.46
Total Revenue		4,545.74	2,625.84
EXPENSES			
Purchase of Stock-in-trade	21	1,982.55	1,462.63
Changes in Inventories of Stock-in-Trade	22	6.61	(3.53)
Operating Expenses	23	1,563.09	729.60
Employee Benefits Expenses	24	277.12	123.66
Finance Costs	25	139.24	46.93
Depreciation and Amortization Expense	26	100.89	40.46
Other Expenses	27	189.89	97.42
Total Expenses		4,259.39	2,497.17
Profit before Exceptional items and tax		286.35	-
Exceptional items (Note 39)		29.59	-
Profit before tax		256.76	128.67
TAX EXPENSE			
Current Tax		-	-
Deferred Tax		17.97	1.27
Taxes for earlier years		0.14	-
Reversal of Excess Deferred Tax Liability		-	(78.20)
Profit for the year / period		238.65	205.60
EARNING PER EQUITY SHARE OF Rs.2 EACH			
Basic (Rs.)		2.73	2.37
Diluted (Rs.)		2.02	1.76
The Notes form an integral part of these Financial Statements.	I-44		

In terms of our Report of even date attached

For and on behalf of the Board

For R.S.Agarwala & Co.
Chartered Accountants
Firm's Regn No. : 304045E

Sanjeev Jain
Director Finance
DIN:05325926

KL Chugh
Chairman
DIN: 00140124

Mahendra Agarwal
Founder & CEO
DIN: 00179779

R. S. Agarwala
Partner
Membership No. 005534

VSN Raju
Company Secretary
M.No.A11701

N. Srinivasan
Director
DIN: 00004195

Camp: Hyderabad
Date: April 28, 2015

Notes to the Financial Statements

(Rs. in Million)

Particulars		As at 31st March 2015	As At 31st March 2014	
I SHARE CAPITAL				
Authorised				
12,50,00,000 Equity Shares of Rs.2/- each		250.00	250.00	
500,000 Redeemable Preference shares of Rs.100/- each		50.00	50.00	
		300.00	300.00	
Issued,Subscribed and Paid-up :				
8,74,77,537 (Previous period 8,72,64,087) Equity Shares of Rs.2/- each fully paid up		174.96	174.53	
Terms/rights attached to equity shares				
The Company has only one class of equity shares of par value of Rs. 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 approval of the shareholders, except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their share holding.				
Reconciliation of the number of shares outstanding				
PARTICULARS	31st March 2015		31st March 2014	
	No. of shares	Amount	No. of shares	Amount
Shares at the beginning of the year / period	87264087	174.53	86582287	173.16
Allotted under Employee Stock Option Scheme	213450	0.43	681800	1.37
Shares at the end of the year / period	87477537	174.96	87264087	174.53
Details of shareholders holding more than 5 % shares				
Name of Share Holders	31st March 2015		31st March 2014	
	No. of shares held	% of Holding	No. of shares held	% of Holding
TCI FINANCE LTD	81,33,105	9.30	77,24,350	8.85
MAHENDRA INVESTMENT ADVISORS PVT LTD	37,35,991	4.27	80,65,105	9.24
RADHAKISHAN DAMANI	11,25,115	1.29	65,40,718	7.50
NEERA AND CHILDREN TRUST	55,99,995	6.40	-	-
MACQUARIE BANK LIMITED	50,00,000	5.72	-	-
	2,35,94,206	26.98	2,23,30,173	25.59
Details of shareholders holding more than 5 % shares				
Shares reserved for issue under options and contracts/commitments				
i) 16,03,990 equity shares of Rs.2/- each are reserved under employee stock option scheme as on 31st March 2015 (Previous Period 17,06,590). Of this 4,61,532 options, 6,08,326 Options, 3,97,332 options and 1,36,800 will vest in the year 2015-16, 2016-17, 2017-18 and 2018-19 respectively.				
ii) On December 12, 2011, the Company issued 22,182 Zero Coupon Unsecured Foreign Currency Convertible Bonds of US\$ 1,000 each for an amount of US\$ 22,182,000. The Bonds are convertible at any time on and after December 31, 2012 up to the close of business on November 13, 2016 by holders of the Bonds into fully paid equity shares with full voting rights with a par value of Rs 2/- each at an initial conversion price of Rs.38.51 per share with a fixed rate exchange on conversion of Rs.52.2285 to US\$. Unless previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed in US dollars at 132.8341 percent of principle amount on December 13, 2016 giving yield to maturity of 5.76 percent per annum calculated on semi-annual basis.				

Notes to the Financial Statements

(Rs. in Million)

Particulars	As at 31st March 2015	As At 31st March 2014
2 RESERVE & SURPLUS		
Capital Reserves		
As per last balance sheet	208.39	208.17
Add: Forfeiture of upfront money on stock options not exercised	-	0.22
	208.39	208.39
Securities Premium Reserve		
As per last balance sheet	1,453.22	1,487.10
Add :Additions during the year / period (i)	7.17	30.49
Less: Deductions during the year / period (ii)	(100.18)	(64.37)
	1,360.21	1,453.22
Revaluation Reserve		
As per last balance sheet	59.55	59.57
Less: Transferred to Statement of Profit and Loss	-	(0.02)
	59.55	59.55
Share Option Outstanding account		
As per last balance sheet	20.53	18.11
Additions during the year / period (iii)	13.62	15.12
Less: Transferred to Securities Premium Reserve (i)	(1.62)	(7.96)
Less: Deduction on cancellation of options not exercised (iii)	(5.37)	(4.74)
	27.16	20.53
Special Reserve		
As per last balance sheet	2,759.74	4,915.43
Less: Adjustments during the year / period (Note 28)	(238.44)	(2,155.69)
	2,521.30	2,759.74
General Reserve		
As per last balance sheet	822.07	801.51
Add: Transferred from statement of profit and loss	23.86	20.56
	845.93	822.07
Tonnage Tax Reserve(Utilized)		
As per last balance sheet	92.91	92.91
	92.91	92.91
Foreign Currency Monetary Item Translation Difference Account		
As per last balance sheet	(125.69)	(151.70)
Add: Provided during the year / period	(55.27)	(8.88)
Less: Amortised during the year / period	66.99	34.89
	(113.97)	(125.69)
Surplus as per Statement of Profit and Loss		
As per last balance sheet	934.68	810.73
Add: Profit for the year / period	238.65	205.59
Less :Adjustment on account of change in useful life of assets net of Deferred Tax Liability as per Schedule II of the Companies Act, 2013	(2.95)	-
Less: Interim Dividend	(52.40)	-
Proposed Final Dividend	(69.98)	(61.08)
Transferred to General Reserve	(23.86)	(20.56)
	1,024.13	934.68
	6,025.62	6,225.40
<p>(i) On allotment of 2,13,450 (Previous period 6,81,800) shares under Employee Stock Option Scheme and transferred from Stock Option Outstanding account.</p> <p>(ii) Provision for Pro-rata Premium on redemption of Foreign Currency Convertible Bonds.</p> <p>(iii) In respect of options granted under the Companies Employees Stock Options Scheme and in accordance with the guidelines issued by Securities and Exchange Board of India the accounting value of options(based on market value of share on the date of grant of options minus the option price) is accounted as deferred employees compensation which is amortised on a straight line basis over the vesting period. Consequently employee benefit expenses includes Rs.8.17 Mn (previous period credit of Rs.8.45 Mn) being amortisation of deferred employee compensation after adjusting for reversal on account of options refunds/lapsed and on account of re-imbursement of discount on option issued to Employees of the subsidiary.</p>		

Notes to the Financial Statements

(Rs. in Million)

Particulars	As at 31st March 2015	As at 31st March 2014
3 LONG TERM BORROWINGS		
Secured		
Term Loans		
- From Banks	626.37	352.36
- From Others	0.28	1.47
	626.65	353.83
Unsecured		
- Fixed deposits	475.81	320.00
- Foreign Currency Convertible Bonds (Note I (ii))	1,388.39	1,333.13
	1,864.20	1,653.13
Total	2,490.85	2,006.96
Less: Current maturities of long term borrowings (Note 9)	(399.14)	(293.87)
	2,091.71	1,713.09
Particulars of Nature of Security / Terms of Repayment		
Term Loan from Bank		
Property situated at Samalka, Tehsil Vasant Vihar , New Delhi. (Repayable in 36 EMI starting from March 2013)	34.47	67.99
"Property situated in Mahatma Gandhi Road, Secunderabad and Pimplas, Bhiwandi, Maharashtra"	51.34	129.52
(Repayable in 4 Quarterly Installments of Rs. 2.5 Mn and Rs. 37.5 Mn each starting from August 2013 and December 2014 respectively after a moratorium period of 1 Year)		
Property situated at Mumbai, charge to be created (Part disbursement, Loan Repayable in 8 quarterly installments of Rs 20 Mn each starting from June 2016 after a moratorium period of 1 Year)	10.00	-
Property situated at Kondapur village, Ranga Reddy District. "(Repayable in 16 Quarterly Installments of RS 15.62 Mn each commencing from August, 2014 after initial Holiday period of 1 year and repayable in 18 Quarterly Installments of Rs 8.33 Mn each starting from July 2015 after a moratorium period of 6 months)"	228.49	147.13
Property situated at Shamirpet, Ranga Reddy District.	-	3.65
Terms of repayment - As per Monthly EMIs		
Hypothecation of Vehicles acquired against individual loans	2.07	4.06
Terms of repayment - As per Monthly EMIs		
Property situated at Nagpur and Bangalore (Repayable in 16 Quarterly Installments of RS 18.75 Mn each commencing from Sep 2015 after initial Holiday period of 1 year)	300.00	-
From Others		
Hypothecation of Vehicles acquired against individual loans	0.28	1.47
Terms of repayment - As per Monthly EMIs		
	626.65	353.82
4 DEFERRED TAX LIABILITIES		
Difference between book and tax depreciation	28.20	11.75
	28.20	11.75
5 OTHER LONG TERM LIABILITIES		
Interest accrued on Fixed Deposits	12.03	5.51
	12.03	5.51
6 LONG TERM PROVISIONS		
Premium on redemption of Foreign Currency Convertible Bonds	286.51	186.33
	286.51	186.33

Notes to the Financial Statements

(Rs. in Million)

Particulars	As at 31st March 2015	As at 31st March 2014
7 SHORT TERM BORROWINGS		
Secured		
Working Capital Loans		
From Bank	287.06	137.58
	287.06	137.58
Particulars of Nature of Security		
Working capital loan is secured by first charge on entire current assets of the company present and future, on paripassu basis with other banks along with immovable properties situated at Bhiwandi (Maharashtra), Verna Industrial Estate (Goa) and personal guarantee of Managing Director.	214.99	67.20
Working capital loan is secured by first charge on entire bookdebts of the company on paripassu basis with other banks along with immovable properties in Chennai and Portblair as collateral security.	72.07	70.38
	287.06	137.58
8 TRADE PAYABLES		
Payable to Subsidiaries	170.45	218.43
Payable to Others	81.18	49.67
	251.63	268.10
9 OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Borrowings (Note 3)		
- From Bank	230.23	187.05
- From Others	168.92	106.82
	399.14	293.87
Payable to a subsidiary	11.19	82.02
Other Liabilities		
- Statutory Dues	11.85	10.24
- Rent Deposits from a subsidiary	60.61	58.34
- Security Deposit from Others	25.15	27.61
- Others Liabilities	173.42	93.72
- Unpaid/Unclaimed dividends	4.99	4.30
(Rs.0.66 Mn (Previous Period Rs.0.47 Mn) has been transferred to Investor Education and Protection Fund during the year)		
	686.35	570.10
10 SHORT TERM PROVISIONS		
Provision for Employee Benefits	15.35	6.84
Others		
Taxation	99.14	99.70
Proposed Final Dividend	69.98	61.08
	184.47	167.62

Notes to the Financial Statements

II FIXED ASSETS

(Rs. in Million)

Description	Gross Block			Depreciation					Net Carrying Value		
	As at 01.04.2014	Additions During the Year	Deductions During the Year	Balance As On 31.03.2015	As On 01.04.2014	For the Year	Adjustment on Deduction	Other Adjustments (c)	Total Depreciation	31st March 2015	31st March 2014
Tangible											
Land											
Freehold	495.78	25.47	-	521.25	-	-	-	-	-	521.25	495.78
Leasehold	103.38	-	-	103.38	-	1.10	-	-	1.10	102.28	103.38
Buildings	63.07	438.11	-	501.18	13.65	4.09	-	-	17.74	483.44	49.42
Vehicles	54.71	2.20	7.87	49.04	43.63	1.95	6.56	0.25	39.27	9.77	11.08
Plant & Equipment	1.88	17.54	-	19.42	0.65	1.03	-	-	1.68	17.74	1.23
Computers	20.03	59.77	1.49	78.31	12.10	11.09	1.49	1.46	23.16	55.15	7.93
Furniture & Fittings	27.62	68.03	-	95.65	19.54	9.71	-	0.96	30.21	65.44	8.08
Office Equipments	5.29	25.10	0.01	30.38	2.03	4.93	-	1.80	8.76	21.62	3.26
Total	771.76	636.22	9.37	1,398.61	91.60	33.90	8.05	4.47	121.92	1,276.69	680.15
Previous Year	781.60	12.05	21.89	771.76	92.17	5.59	6.16	-	91.60	680.15	689.42
Capital Work-in-Progress										15.83	375.50
									Total	1,292.52	1,055.65

- A part of Land & Buildings were revalued on 31st December, 1997, 29th June, 1999, and 31st March, 2000 and the resultant increases in the value of assets by Rs.4.59 Mn, Rs.14.13 Mn and Rs.14.83 Mn respectively and aggregating to Rs.33.56 Mn was transferred to Revaluation Reserve.
- Depreciation for the year includes Rs.02 Mn (Previous period Rs. 0.02 Mn) in respect of above revaluations.
- Adjustment of depreciation as per Schedule II to the Companies Act, 2013 (Note 34).

Notes to the Financial Statements

(Rs. in Million)

Particulars	As at 31st March 2015	As at 31st March 2014
12 NON CURRENT INVESTMENTS		
Long Term Investments (At Cost)		
Non-trade		
Fully Paid Equity shares of Joint Stock Companies		
Quoted		
1,600,300 shares of TCI Finance Ltd. of Rs.10/- each.	14.39	14.39
(Market Value - Rs.53.21 Mn ; previous period - Rs.28.95 Mn)		
	14.39	14.39
Unquoted		
18,750,000 shares of Amrit Jal Ventures Private Ltd. of Rs.10/- each.	187.50	187.50
(Pledged with Institution for providing Financial Assistance to Amrit Jal Ventures Private Ltd.)		
18,000 shares of ITAG Infrastructure Ltd. of Rs 10/- each	0.18	0.18
	187.68	187.68
Subsidiaries		
7,267,176 shares of Gati Asia Pacific Pte Ltd. of \$1 (SGD) each	275.05	275.05
5,212,526 shares (Previous period 47,42,542) of Gati Kausar India Ltd. of Rs.10/- each	399.25	352.27
(469,484 Shares acquired on conversion of Loan and interest thereon at premium of Rs.90 Per Share and 500 shares of Rs.10 each acquired during the year)		
(1,566,158 shares are pledged with institution as security for Bonds issued by Gati Kausar India Ltd.)		
2,300,000 shares of Gati Import Export Trading Ltd. of Rs.10/- each	23.00	23.00
362,163 shares of Zen Cargo Movers Pvt. Ltd. of Rs.10/- each	3.62	3.62
350,000 shares of Gati Kintetsu Express Pvt Ltd. of Rs.10/- each	5,510.00	5,510.00
4,800,000 shares (PY 60,10,000) of Gati Ship Ltd. of Rs.10/- each	862.30	1,080.10
(12,10,000 Shares sold during the year) (a)		
10,000 shares of Gati Logistics Parks Private Ltd. of Rs.10/- each	0.10	0.10
10,000 shares of Gati Projects Private Ltd. of Rs.10/- each	0.10	0.10
	7,073.42	7,244.24
Debentures :		
3,457,236 14.5% Unsecured Optionally Convertible Debentures of Amrit Jal Ventures Pvt Ltd. of Rs.100/- each. (issued in the period 2013-14 in repayment of loan of equivalent amount)	345.72	345.72
993,354 14.5% Unsecured Optionally Convertible Debentures of Gati Infrastructure Sada-Mangder Power Private Limited of Rs.100/- each	99.34	-
(Issued during the year in repayment of loan and interest thereon of an equivalent amount granted by Gati Limited in earlier years to Gati Infrastructure Sada - Mangder Power Private Limited on the terms of subscription , redemption or conversion and other conditions as per Investment Agreement dated 6th May 2014.)		
	445.06	345.72
Provision for Diminution in the value of Investments:		
i) Gati Asia Pacific Pte Ltd.	(275.05)	(275.05)
ii) Gati Ship Ltd. (a)	(862.30)	(1,080.10)
	(1,137.35)	(1,355.15)
	6,583.20	6,436.89

a) Provision of Rs.217.8 Mn made in earlier years reversed on sale of 12,10,000 shares of Gati Ship Ltd

Notes to the Financial Statements

(Rs. in Million)

Particulars	As at 31st March 2015	As at 31st March 2014
13 LONG TERM LOANS AND ADVANCES		
Unsecured and Considered Good		
Loans and Advances to Subsidiaries	208.24	144.40
Loans and Advances to Others	77.14	98.64
Capital Advances	0.34	4.36
Advances and Rental Deposits	4.88	3.01
Earnest Money and Security Deposits	3.63	2.13
	294.23	252.54
14 OTHER NON CURRENT ASSETS		
Deferred employee stock option scheme	17.17	17.38
	17.17	17.38
15 INVENTORIES		
Diesel, Petrol, Lubricants etc.	9.06	15.68
(At lower of cost and net realisable value)		
(As taken, valued and certified by the management)		
	9.06	15.68
16 TRADE RECEIVABLES		
Unsecured		
Outstanding for more than six months from the due date		
Considered Good	7.14	17.48
Considered Doubtful	21.19	13.67
	28.33	31.15
Less : Provision for doubtful debts	(21.19)	(13.67)
	7.14	17.48
Others	619.15	361.64
	626.29	379.12
17 CASH AND CASH EQUIVALENTS		
Cash in Hand	48.00	31.02
Balances with Banks		
In Current Accounts	15.09	44.01
In Deposit Accounts	57.09	51.23
In Unpaid/Unclaimed Dividend Accounts	4.99	4.30
	125.17	130.56
18 SHORT TERM LOANS AND ADVANCES		
Unsecured and Considered Good		
Loans & Advances to Subsidiaries	29.15	95.08
Loans & Advances to an Associate	13.24	13.22
Loans & Advances to Other Parties	569.26	674.93
Prepaid Expenses	10.34	2.53
Cenvat Credit Receivable	11.66	10.99
Advances to employees	0.55	0.47
Interest Accrued	143.36	96.47
Tax Deducted at Source	299.29	255.44
Others	4.07	23.06
	1,080.92	1,172.19
In the opinion of the Board, assets other than fixed assets and non-current investments have a value on realisation in the ordinary business at least equal to the amount at which they are stated.		

Notes to the Financial Statements

(Rs. in Million)

Particulars	Twelve months ended 31st March 2015	Nine months ended 31st March 2014
19 REVENUE FROM OPERATIONS		
Freight, Demurrage and Miscellaneous charges	2,199.10	(a) 930.27
Other Operating Income (Note 29)	204.11	102.83
Sale of Diesel, Petrol and Lubricants	2,029.29	1,488.29
	4,432.50	2,521.38
20 OTHER INCOME		
Rent	38.59	(a) 9.38
Profit on sale of assets	-	17.28
Interest	71.01	74.80
(Including interest from subsidiaries - Rs.1.48 Mn, Previous Period Rs.0.58 Mn)		
Liabilities no longer required written back	3.64	3.00
a) Includes profit on sale of land of Rs. 16.83 Mn disclosed as other operating income during the period 2013-14		
	113.24	104.46
21 PURCHASE OF STOCK-IN-TRADE		
Purchased during the year/period	1,982.55	1,462.63
	1,982.55	1,462.63
22 CHANGES IN INVENTORIES OF STOCK-IN-TRADE		
Inventories at the beginning of the year/ period	15.67	12.14
Inventories at the end of the year / period	(9.06)	(15.67)
	6.61	(3.53)
23 OPERATING EXPENSES		
Freight	1,500.14	715.71
Vehicles' trip expenses	0.04	0.02
Other Operating Expenses	59.97	14.30
Claims for Loss & Damages (Net)	2.72	(0.52)
Vehicles' taxes	0.22	0.09
	1,563.09	729.60
24 EMPLOYEE BENEFITS EXPENSES		
Salaries and Bonus	257.08	126.64
Gratuity	1.61	(3.59)
Contribution to Provident and Other Funds	6.50	6.54
Contribution to Employees' State Insurance	0.95	0.54
Other Expenses	2.81	1.98
Expenses on Employee Stock Option scheme	8.17	(8.45)
	277.12	123.66
25 FINANCE COSTS		
Interest expenses	140.75	60.41
Other Borrowing Costs	2.09	1.39
Less: Capitalised during the year / period	(3.60)	(14.87)
	139.24	46.93

Notes to the Financial Statements

(Rs. in Million)

Particulars	Twelve months ended 31st March 2015	Nine months ended 31st March 2014
26 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation for the year / period	33.90	5.59
Add : Amortization of Foreign Currency Monetary Item	66.99	34.89
Translation Difference Account		
Deduct : Transfer from Revaluation Reserve	-	(0.02)
	100.89	40.46
27 OTHER EXPENSES		
A ADMINISTRATIVE EXPENSES		
Rent (a)	29.74	7.17
Rates and Taxes	5.77	3.01
Insurance	1.96	1.40
Telephone expenses	9.12	1.60
Printing and Stationery	6.52	3.34
Travelling expenses	15.15	7.91
Legal expenses	16.62	13.87
Advertisement Expenses	14.15	4.47
Office Maintenance and Repairs	9.92	7.65
Miscellaneous expenses (b)	64.73	32.52
Directors Sitting fees	1.91	0.74
Commission to Non-Whole-time Directors	2.10	1.10
Remuneration to Auditors:		
Audit Fees	0.57	0.50
Tax Audit Fees	0.30	0.30
Bad debts and irrecoverable balances written off (Net)	8.74	8.38
(Includes Provision for doubtful debts Rs.7.53 Mn. Previous period Rs.1.51 Mn)		
Difference in Exchange (Net)	0.73	2.15
(Includes Notional Loss of Rs.1.56 Mn)		
Loss on Sale of Fixed Assets (Net)	0.04	-
	188.07	96.11
B REPAIRS & MAINTAINANCE		
Motor Trucks	0.02	0.03
Other Vehicles	0.23	0.19
Plant and Equipments	0.20	0.12
Computers	1.37	0.97
	1.82	1.31
	189.89	97.42
(a) Includes paid to a Subsidiary Rs. 17.52 Million (Previous Period NIL)		
(b) Includes expenses towards CSR amounting Rs. 1.22 Mn (Previous Period NIL)		

Notes to the Financial Statements

- 28** The Hon'ble Andhra Pradesh High Court, vide its order dated 19th March, 2013 approved the Scheme of Arrangement for amalgamation of five wholly owned subsidiaries of Gati Limited (Transferee Company) with effect from 31st March, 2013, the appointed date.

The Scheme permits the Company to create a capital reserve to be called Special Reserve to which shall be credited excess of value of assets over value of liabilities in the books of the transferee Company amounting to Rs.5,555.43 Mn. which shall be utilized by the transferee Company to adjust there from 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 the Board of directors may deem fit.

In accordance with the Scheme

- i) The loss of Rs.640 Mn. on sale of investment in 40,00,000 Nos Equity shares of subsidiary Gati Ship Limited was adjusted against Special Reserve in the year 2012-13.
- ii) On professional advice, the Board of Directors carried out the following adjustments against Special Reserve during the year 2013-14.
 - a) The diminution in value of Investment in Gati Asia Pacific Pte Ltd of Rs. 275.05 Mn and in value of Investment in Gati Ship Limited of Rs.1,080.10 Mn has been adjusted against Special Reserve.
 - b) Irrecoverable advances to subsidiary Gati Ship Limited of Rs. 626.43 Mn and balance consideration receivable for Sale of Investments in shares of subsidiary Gati Ship Limited of Rs.48 Mn was adjusted against Special Reserve.
 - c) Irrecoverable other advances made in earlier years aggregating to Rs.126.11 Mn was adjusted against Special Reserve.
- iii) During the year, 2014-15 on professional advice, the Irrecoverable advances to subsidiary Gati Ship Limited of Rs.238.44 Mn net of Rs3.02 Mn realised on sale of 12,10,000 equity shares of Gati Ship Limited has been adjusted against Special Reserve.

The above adjustment otherwise, required to be debited to the Statement of Profit and Loss and adjusted against Special Reserve are not in accordance with the Accounting Standard (AS) 13 'Accounting for Investments' and Accounting Standard (AS) 5 'Net Profit or Loss for the year, prior period items and changes in accounting policies'. Had the Scheme not prescribed, the above accounting treatment the accounts would have reflected as follows:

(Rs. in Millions)

Statement of Profit and Loss:	Increase	Decrease
Profit before tax		238.44
Profit for the year		238.44
Balance Sheet:		
Special Reserve	238.44	
Surplus in Statement of Profit or Loss		238.44

- 29** On transfer of Express Distribution and Supply Chain and Shipping businesses to separate subsidiaries in the year 2011-2012, the primary operating business of the Company sit in the Balance Sheet of the Company as investments and became major source of income by way of dividend. Accordingly, the Company has been advised that the dividend income of Rs.175 Mn during the year from subsidiaries (previous period Rs. 70 Mn), Net Profit of Rs NIL (previous period Rs. 16.80 Mn on sale of land and Management Fees of Rs. 23.30 Mn during the year (Previous period Rs.30 Mn) be considered as other operating income. This has no impact on the profit of the year.
- 30** The company has made investment in Share Capital of Rs. 3.62 Million and has other receivables of Rs. 14.76 Million (Previous period Rs.14.76 Million) due from the subsidiary Zen Cargo Movers Pvt. Ltd. The net worth of the subsidiary has fully eroded because of losses suffered from year to year. The business of Zen Cargo is clearing agency business and is very closely related to the freight forwarding business of the parent company. The same is in the process of stabilization. The subsidiary will continue to have the required support from the holding company. The performance of the subsidiary is expected to improve in the near future. Under the circumstances no provision is considered necessary by the management at present for any diminution in the value of investments and also in respect of possible losses that may arise from other receivables from the subsidiary.
- 31** There are other amounts due from subsidiaries of Rs. 223.56 Mn (previous period Rs.202.34 Mn) and from an Associate Rs.13.24 Mn (previous period 13.22 Mn). The above includes Rs 190 Mn represented by land acquired by a subsidiary. The management is confident of full recovery of other amounts in due course and no provision is considered necessary for any possible losses that may arise in this behalf.
- 32** In an earlier year the Company has granted unsecured loan of Rs. 100 Million to a body corporate out of which Rs.17.5 Million was realised during the year leaving a balance Rs 82.5 Million along with interest receivable of Rs. 39 Million. The net worth of the body corporate has fully eroded because of losses suffered from year to year. However, the management is confident of full recovery of the balances due and interest receivable and therefore no provision is considered necessary for any possible losses that may arise in this behalf.
- 33** During the year the company sold 12,10,000 equity shares (12.09%) in Gati Ship Ltd. For Rs. 3.02 Mn. Consequently Gati Ship Ltd. ceased to be a subsidiary from May 16, 2014 and is now an associate. Gati Ship Limited has since closed its operations.
- 34** During the year, in compliance with the requirements of Schedule II of the Companies Act 2013 effective 1st April 2014, the company has revised useful life of its fixed assets. In case of asset whose useful life has expired as on 31st March 2014 the carrying value (net of deferred tax of Rs. 1.52 Mn) of the assets amounting to Rs. 2.95 Mn has been adjusted with the opening balance of retained earnings. Accordingly depreciation for the year is higher by Rs. 14.47 Mn and the profit after Tax is lower by the same amount.

Notes to the Financial Statements

- 35** Pursuant to the notification issued by the Ministry of Corporate Affairs dated 29th December 2011 on Accounting Standard 11, the company has opted to adjust the carrying cost of depreciable fixed assets/ to amortize the exchange differences on the Long term Foreign Currency Monetary Items over their tenure. Accordingly as on March 31, 2015 Rs.113.97 Mn has been carried forward in the "Foreign Exchange Monetary Item Translation Difference Account" (FCMITDA). Consequently the net profit is lower by Rs.11.73 Mn for the year ended 31st March 2015.
- 36** Loans and Advances includes Rs.265.98 Mn due from Air India Limited. The matter was referred to arbitration of the Arbitral Tribunal appointed by the parties. The Arbitral tribunal passed an Award dated 17th September 2013, whereby, it has, inter alia, directed Air India Limited to pay an amount of Rs.268.20 Mn to the Company and to pay interest @18% per annum on the awarded amount. Air India has preferred an application before the Hon'ble Delhi High Court seeking setting aside of the Award and the matter is pending disposal. In the circumstances, the dues from Air India Limited included in Loans and Advances, are considered good for recovery by the management.
- 37** In view of the various deductions admissible under the Income-tax Act, no liability for current tax is estimated for the year. Provision for Deferred tax liability for the year has been made.
- 38** The Board of Directors of the company has allotted 1,17,450 equity shares on exercise of options by the employees under the employee stock option scheme and 96,000 equity shares to Non-Executive Directors at a premium of Rs.26 per share. Consequently the Equity Share Capital of the company increased from 8,72,64,087 equity shares of Rs 2/- each to equity shares 8,74,77,537 of Rs 2/- each during the year.
- 39** In response to company's application to Reserve Bank of India (RBI) seeking permission for part repurchase of FCCBs, RBI vide its letter dated 27th September, 2013 accorded permission while stating that the Company was not eligible borrower under the automatic route and the borrowing be treated as a Foreign Debt. The Company was levied a compounding fee of Rs. 29.59 Mn, which the Company has deposited during the year and is disclosed as an exceptional item in the Statement of Profit and Loss.
- 40** The company is awaiting clarification from the Reserve Bank of India on various matters pertaining to Foreign Currency Convertible Bonds issued by the company. In the meanwhile the trustee of the bond holders has filed a civil suit in the Secunderabad Court for specific performance, which the company is contesting on various grounds. The matter is subjudice.

(Rs. in Millions)

41	Particulars	31st March 2015	31st March 2014
	a) Contingent Liability not provided for in respect of		
	(i) Bank Guarantees	11.40	90.33
	(ii) Guarantees and Counter Guarantees outstanding	1,040.62	1,379.66
	(iii) Income Tax demands disputed in appeals	560.91	-
	(iv) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	7.11
	b) Earning per share		
	(i) Net profit after tax available for equity shareholders - for Basic and Diluted EPS	238.65	205.59
	(ii) Weighted average no. of ordinary shares for Basic EPS (Nos.)	87.30	86.75
	Add: Adjustments for Foreign Currency Convertible Bonds and Stock Options	31.08	30.07
	(iii) Weighted average no. of ordinary shares for Diluted EPS (Nos.)	118.38	116.82
	(iv) Nominal value of Ordinary Shares (Rs.)	2.00	2.00
	(v) Basic Earning per Ordinary Share (Rs.)	2.73	2.37
	(vi) Diluted Earning per Ordinary Share (Rs.)	2.02	1.76

42 Related Party Disclosures

Related parties with whom transactions have taken place during the year

i Directors / Key Management Personnel:

- Mr. Mahendra Agarwal (Founder & CEO)
- Mr. Sanjeev Kumar Jain (Director - Finance)
- Mr. V.S.N. Raju (Company Secretary)

ii Associates of the Company

- Gati (Thailand) Co. Ltd.
- Gati Ship Ltd. (Formerly known as Gati Ship Private Limited)

iii Others

- TCI Finance Ltd.

iv Subsidiaries / Step Down Subsidiaries

- Gati Asia Pacific Pte Ltd.
- Gati Hong Kong Ltd.
- Gati Cargo Express(Shanghai) Co.Ltd.
- Gati Kausar India Ltd. (Formerly known as Kausar India Limited)

Notes to the Financial Statements

2. Giri Roadlines & Commercial Trading Pvt. Ltd.
3. Jubilee Commercials & Trading Pvt. Ltd
4. TCI Hi-ways Pvt. Ltd.
5. TCI Industries Ltd.
6. Mahendra Kumar Agarwal & Sons (HUF)
7. Mahendra Investment Advisors Pvt.Ltd.
8. Amrit Jal Ventures Private Ltd.
9. Gati Academy
10. TCI Infrastructure Finance Limited
11. Gati Infrastructure Sada Mangder Pvt. Ltd.
5. Gati Import Export Trading Ltd.
6. Zen Cargo Movers Pvt. Ltd.
7. Gati Kintetsu Express Pvt Ltd
8. Gati Logistics Parks Private Ltd.
9. Gati Projects Private Ltd.

(Rs. in Millions)

SL No	Nature of Transaction	KMP & Relative of KMP	Associates and others	Subsidiaries	31st March 2015	31st March 2014
A	Expenditure					
	Freight and Other Charges	-	1.62	437.18	438.80	151.12
	Interest	-	-	-	-	-
	Sharing of Expenses	-	-	17.52	17.52	-
	Key Management Personnel	10.90	-	-	10.90	5.73
	Directors Sitting Fee	1.91	-	-	1.91	-
	Manpower Expenses	-	158.77	-	158.77	-
B	Receipts					
	Freight and Other Charges	-	2.22	8.74	10.96	5.13
	Interest	-	66.04	1.48	67.52	46.10
	Rent & Management Fee	-	6.00	58.09	64.09	38.96
	Dividend Income	-	-	175.00	175.00	70.00
	Fuel Sales income	-	-	3.86	3.86	2.29
	Employee Compensation cost	-	-	0.29	0.29	-
C	Transaction during the year					
	Investments made	-	99.34	46.95	146.29	345.72
	Investments sold	-	217.62	-	217.62	-
	Management Fees Written off	-	-	-	-	0.95
	Advances Written off	-	241.46	-	241.46	752.55
	Loans - Given	-	-	-	-	19.80
	Loans - Repaid	-	-	155.65	155.65	-
	Advances - Given	-	593.83	65.30	659.13	206.79
	Advances - Repaid	-	352.36	131.54	483.90	-
	Deposits Given	-	-	2.27	2.27	58.34
	Deposits Repaid	-	-	2.85	2.85	-
	Other Receipts and Payments (Net)	-	-	70.54	70.54	-
D	Balance at the year end					
	Investments	-	1,509.43	6,211.11	7,720.54	6,436.89
	Sundry Debtors	-	1.24	1.44	2.68	35.49
	Loans & Advances	-	446.64	240.42	687.06	410.69
	Diminution in the Value of Investment	-	862.30	275.05	1,137.35	1,355.15
	Sundry Creditors	-	0.52	181.64	182.16	300.60
	Deposits and Advances (Taken)	-	-	60.61	60.61	141.31
	Corporate Guarantees	-	-	1,040.62	1,040.62	1,379.70

Notes to the Financial Statements

43	Additional Information	31st March 2015	31st March 2014
	I. Expenditure in Foreign Currency		
	Travelling Expenses	0.11	1.18
	Freight Expenses	111.52	28.32
	II. Earnings in Foreign Currency		
	Interest Income	1.48	0.58
	Freight Income	10.21	5.13

44 Significant Accounting Policies:

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

Recognition of Income & Expenditure

- Income and expenditure are generally recognised on accrual basis in accordance with the applicable accounting standards and provision is made for all known losses and liabilities.
- Freight Income is accounted when goods are delivered by the Company to customers.
- Freight expenses are accounted when hired vehicles deliver goods to the Company at destination.
- Having regard to the size of operations and the nature and complexities of the company's business, freight received/paid in advance is accounted as income/expenses on payment and interdivisional transfers are eliminated.
- Year-end liability in respect of claims for loss and damages is provided as calculated by claims recovery agents.

Gratuity and Leave Encashment

A provision for gratuity liability to employees is made on the basis of actuarial valuation and paid to the approved Gratuity Fund and a provision for leave encashment is made on the basis of actuarial valuation. The Principal assumption used in determining gratuity and leave encashment for the company's plan are shown below.

(Rs. in Millions)

Particulars	March 2015	March 2014
Discount Rate	9%	9%
Future Salary Increase	8%	8%
Employee Turnover	7%	9%
Average Balance Service (For Gratuity)	27.05 years	24.92 years

Provident Fund

Provident fund contribution is remitted to appropriate authority.

Superannuation Fund

Superannuation fund contribution is remitted to approved trust fund.

Fixed Assets

- Fixed assets are stated at cost and / or at revaluation. Cost includes borrowing cost and indirect expenditure capitalized to the extent it relates to the construction activity or incidental thereto.
- Depreciation is provided on straight line method over the useful life of assets specified in Schedule II to the Companies Act, 2013. Depreciation on addition/deductions is calculated prorata from/to the date of addition/deduction. Individual assets costing upto Rs.5,000/- are depreciated fully in the year of acquisition.

Investments

Investments are stated at cost or at the fair values.

Inventories

Petroleum products are valued at lower of cost or net realisable value.

Notes to the Financial Statements

Foreign Exchange Transaction

- a) Foreign currency transactions are recorded at average rate for the month.
- b) Monetary items in foreign currency at the year end are converted in Indian currency at the year end rates. In terms of the amendments to Accounting Standard 11 on The Effects of Changes in Foreign Exchange Rates, exchange differences relating to long-term monetary items are dealt with in the following manner:
 - i. Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to/deducted from the cost of the asset and depreciated over the balance life of the asset.
 - ii. In other cases such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance life of the long-term monetary item, not beyond 31 March 2020.
- c) Any income or expense on account of exchange difference either on settlement or translation is recognized in the Statement of Profit & Loss.
- d) In respect of forward exchange contracts, the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expense over the life of the contract.

Taxation

Income Tax

Provision for tax is made for both current and deferred taxes. Provision for current income tax is made on the current tax rates based on the working results of the year. The company provides for deferred tax based on the tax effect of timing differences resulting from the recognition of items in the accounts and in estimating its current tax provision. The effect on deferred taxes of a change in tax rate is recognised in the year in which the change is effected.

Impairment of Assets

Impairment of Assets are assessed at each balance sheet date and loss is recognised whenever the recoverable amount of an asset is less than its carrying amount.

Signatures to Notes "1" to "44"

In terms of our Report of even date attached

For and on behalf of the Board

For R.S.Agarwala & Co.
Chartered Accountants
Firm's Regn No. : 304045E

Sanjeev Jain
Director Finance
DIN:05325926

KL Chugh
Chairman
DIN: 00140124

Mahendra Agarwal
Founder & CEO
DIN: 00179779

R. S. Agarwala
Partner
Membership No. 005534

VSN Raju
Company Secretary
M.No.A11701

N. Srinivasan
Director
DIN: 00004195

Camp: Hyderabad
Date: April 28, 2015

Cash Flow Statement for the year ended 31st March, 2015

(Rs. in Million)

PARTICULARS	31st March 2015	31st March 2014
(I) Cash flows from Operating Activities		
Net Profit After Tax	238.65	205.59
Add :		
Provision for tax	17.97	(76.93)
Net profit before taxation	256.62	128.66
Adjustment for Non-Cash and Non-Operating Items.		
Depreciation and Amortisation	100.89	40.48
Interest on borrowings (Net)	139.23	46.93
(Profit) / Loss on sale of fixed assets (Net)	0.04	(17.72)
Dividend Income	(175.00)	(70.00)
Interest Income	(71.01)	(74.80)
Rental income received	(38.59)	(9.38)
Operating profits before working capital changes	212.18	44.17
(Increase) / Decrease in Sundry debtors (Net of Bad debts)	(247.18)	(98.07)
(Increase) / Decrease in Inventories	6.62	(3.53)
(Increase) / Decrease in Loans & Advances	(332.04)	(237.91)
Increase / (Decrease) in Trade Payables	(18.77)	166.26
Increase / (Decrease) in Other Liabilities	17.49	29.58
Increase / (Decrease) in Short Term Borrowings	149.50	57.18
Increase / (Decrease) in Provisions	7.95	(99.74)
Cash generated from operations	(204.25)	(142.06)
(Income tax paid) Net tax refund received	(0.14)	0.48
Net Cash from Operating Activities	(204.39)	(141.58)
(II) Cash Flow from Investing Activities		
(Increase) / Decrease in Capital WIP	359.67	(135.44)
(Increase) / Decrease in Capital Advances (Net)	4.02	(1.25)
Purchase of investments	(0.03)	(0.03)
Sale of Investments	3.02	-
Interest received	71.01	74.80
Rent income	38.59	9.38
Dividend Income	175.00	70.00
Transfer/(Purchase) / Sale of Fixed Assets (Net)	(634.93)	21.40
Net Cash from Investing Activities	16.35	38.86
(III) Cash Flow from Financing Activities		
Proceeds from Issue of Share Capital	0.43	1.36
Increase / (Decrease) in Share premium	5.55	22.53
Receipt of Secured Loans	471.07	157.06
Repayment of Secured Loans	(198.24)	(102.53)
Public deposit	155.81	127.03
Dividend Paid (including dividend tax)	(113.48)	(54.83)
Interest on loans paid	(139.22)	(46.93)
Net Cash from Financing Activities	181.92	103.69

Foreign Currency Exchange Gain / (Loss)	0.73	(2.15)
Net Increase / (Decrease) in cash and cash equivalents (I + II + III)	(5.39)	(1.18)
Cash and Cash equivalents in the beginning of the year/period	130.56	131.74
Cash and Cash equivalents in the end of the year/period	125.17	130.56
Cash flow from Activities during the year/period	(5.39)	(1.18)

Notes :

1. Cash flow statement has been prepared under the indirect method as set out in Accounting Standard -3 issued by the Institute of Chartered Accountants of India
2. Previous period figures have been regrouped / reclassified, where ever necessary.

In terms of our Report of even date attached

For and on behalf of the Board

For R.S.Agarwala & Co.
Chartered Accountants
Firm's Regn No. : 304045E

Sanjeev Jain
Director Finance
DIN:05325926

KL Chugh
Chairman
DIN: 00140124

Mahendra Agarwal
Founder & CEO
DIN: 00179779

R. S. Agarwala
Partner
Membership No. 005534

VSN Raju
Company Secretary
M.No.A11701

N. Srinivasan
Director
DIN: 00004195

Camp: Hyderabad
Date: April 28, 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GATI LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of GATI LIMITED ("the Company") and its subsidiaries (herein after referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 (the "Act") with respect to the preparation of these consolidated financial statements to give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes the design, implementation and maintenance internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the applicable Accounting Standards as specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Based on our audit and on consideration of reports of other auditors, on separate financial statements of the subsidiaries, and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and its consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following notes:

- (a) Note 29 of the consolidated financial statements regarding the scheme of arrangement for amalgamation (the Scheme) sanctioned by the Hon'ble Andhra Pradesh High Court by its order dated 19th March, 2013. The Scheme permits the Company to create a capital reserve to be called Special Reserve to which shall be credited excess of value of assets over value of liabilities on amalgamation amounting to Rs.55,554.29 Lacs to be utilized to adjust there from any capital losses arising from transfer of assets and certain other losses as specified in the Scheme and as the Board of Directors may deem fit. Accordingly the irrecoverable advances to Gati Ship Ltd of Rs.2,384.41 Lacs net of Rs.30.22 Lacs realized on sale of 12,10,000 equity shares of Gati Ship Limited, investment in Gati Ship Limited Rs. 10,801 Lacs, loss on transfer of shipping division in Gati Limited during FY 2011-12 Rs 110,19.03 Lacs and other losses Rs. 1,428.40 Lacs have been adjusted to special reserve which is not in accordance with Accounting Standard (AS) 5 'Net profit or loss for the period, prior period items and Changes in Accounting Policies' and Accounting Standard (AS) 13 'Accounting for Investments'. This has resulted in the profit for the year before tax and profit after tax for the year being higher by Rs. 25,632.83 Lacs.
- (b) Note 30 of the consolidated financial statements in respect of wholly owned overseas subsidiary, Gati Hong Kong Ltd has incurred a net loss of Rs.40 Lacs (HK\$ 4,22,823) during the year ended 31st March, 2015 and as of that date, the subsidiary's total liabilities exceeded its total assets by Rs. 202.09 Lacs (HK\$ 25,13,321) which indicate the existence of a material uncertainty that may cast significant doubt about the subsidiary's ability to continue as a going concern.

- (c) Note 32 of the Consolidated Financial Statements in respect of wholly owned overseas subsidiary, Gati Asia Pacific Pte Ltd, regarding non provision for impairment allowance of Rs.1079.81 Lacs (\$ 23,82,389) for overdue from a related party.
- (d) Note 33 of the Consolidated Financial Statements regarding non provision for dues of Rs. 1215 Lacs from a body corporate as the management is confident of its full recovery.

Our opinion is not qualified in respect of these matters.

OTHER MATTERS

We did not audit the financial statements of six subsidiaries (including four overseas subsidiaries/ step down subsidiaries), included in the consolidated financial statements, which constitutes total assets of Rs. 10,656.11 Lacs as at 31st March, 2015, total revenues of Rs. 8,151.86 Lacs and net cash outflows amounting to Rs.61.67 Lacs for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, to the extent they have been derived from such financial statements is based solely on the reports of such other auditors.

Our opinion is not qualified in respect of these matters.

For R.S. Agarwala & Co.
Chartered Accountants
Firm's Regn. No.: 304045E

R.S. Agarwala
Partner
Membership No.: 005534

Camp: Hyderabad
Date: 28th April 2015

Consolidated Balance Sheet as at 31st March 2015

(Rs. in Million)

PARTICULARS	NOTE	As at 31st March 2015	As at 31st March 2014
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	174.96	174.53
Reserves and Surplus	2	5,311.91	7,553.85
		5,486.87	7,728.38
Minority Interest		803.83	1,173.16
Non-Current Liabilities			
Long Term Borrowings	3	2,709.38	2,671.68
Deferred Tax Liabilities (Net)	4	73.53	60.83
Other Long Term Liabilities	5	17.87	5.51
Long Term Provisions	6	286.51	186.33
		3,087.29	2,924.35
Current Liabilities			
Short Term Borrowings	7	1,243.34	1,304.33
Trade Payables	8	807.91	732.33
Other Current Liabilities	9	1,255.00	1,257.50
Short Term Provisions	10	754.28	653.47
		4,060.53	3,947.63
Total		13,438.52	15,773.52
ASSETS			
Non - Current Assets			
Fixed Assets	11		
Tangible Assets		2,916.40	3,778.97
Intangible Assets		20.96	14.98
Capital Work in progress		27.47	387.07
Goodwill on Consolidation		4,468.78	4,468.85
Non-Current Investments	12	647.14	547.80
Long Term Loans and Advances	13	333.28	1,337.98
Other Non-Current Assets	14	17.44	17.60
		8,431.47	10,553.25
Current Assets			
Current Investments	15	25.31	-
Inventories	16	34.84	119.09
Trade Receivables	17	2,668.85	2,414.22
Cash and Cash Equivalents	18	592.01	308.02
Short Term Loans and Advances	19	1,686.04	2,378.94
		5,007.05	5,220.27
		13,438.52	15,773.52
The Notes form an integral part of these Consolidated Financial Statements	I-46		

In terms of our Report of even date attached

For and on behalf of the Board

For R.S.Agarwala & Co.
Chartered Accountants
Firm's Regn No. : 304045E

Sanjeev Jain
Director Finance
DIN:05325926

KL Chugh
Chairman
DIN:00140124

Mahendra Agarwal
Founder & CEO
DIN: 00179779

R. S. Agarwala
Partner
Membership No. 005534

VSN Raju
Company Secretary
M.No.A11701

N. Srinivasan
Director
DIN: 00004195

Camp: Hyderabad
Date: April 28, 2015

Consolidated Statement of Profit and Loss for the year ended 31st March 2015

(Rs. in Million)

PARTICULARS	NOTE	Twelve months ended 31st March 2015	Nine months ended 31st March 2014
REVENUE			
Revenue From Operations	20	16,481.10	11,148.89
Other Income	21	145.75	122.92
Total Revenue		16,626.85	11,271.81
EXPENSES			
Purchase of Stock-in-trade	22	2,333.12	1,749.41
Changes in Inventories of Stock-in-Trade	23	2.49	(1.33)
Operating Expenses	24	9,798.65	6,627.01
Employee Benefits Expenses	25	1,564.95	1,026.93
Finance Costs	26	419.20	324.97
Depreciation and Amortization Expense	27	331.76	220.69
Other Expenses	28	1,389.39	922.55
Total Expenses		15,839.56	10,870.23
Profit before Exceptional Items and Tax		787.29	401.58
Exceptional items (Note 39)		(29.59)	-
Profit before Tax		757.70	401.58
TAX EXPENSES			
Current Tax		155.25	166.39
Deferred Tax		36.74	32.35
Taxes for earlier years		0.14	(2.13)
Reversal of Excess Deferred Tax Liability		-	(78.20)
Profit before Minority Interest		565.57	283.17
Less: Minority Interest		153.49	48.95
Profit for the year/period		412.08	234.22
EARNINGS PER EQUITY SHARE OF Rs. 2 EACH			
Basic (Rs.)		4.72	2.70
Diluted (Rs.)		3.48	2.00
The Notes form an integral part of these Consolidated Financial Statements	I-46		

In terms of our Report of even date attached

For and on behalf of the Board

For R.S. Agarwala & Co.
Chartered Accountants
Firm's Regn No.: 304045E

Sanjeev Jain
Director Finance
DIN:05325926

KL Chugh
Chairman
DIN: 00140124

Mahendra Agarwal
Founder & CEO
DIN: 00179779

R. S. Agarwala
Partner
Membership No. 005534

VSN Raju
Company Secretary
M.No.A11701

N. Srinivasan
Director
DIN: 00004195

Camp: Hyderabad
Date: April 28, 2015

Notes to the Consolidated Financial Statements

(Rs. in Million)

Particulars	As at 31st March 2015	As At 31st March 2014
I SHARE CAPITAL		
Authorised		
12,50,00,000 Equity Shares of Rs.2/- each	250.00	250.00
500,000 Redeemable Preference shares of Rs.100/- each	50.00	50.00
	300.00	300.00
Issued,Subscribed and Paid-up :		
8,74,77,537 (Previous period 8,72,64,087) Equity Shares of Rs.2/- each fully paid up	174.96	174.53

Terms/rights attached to equity shares

The Company has only one class of equity shares of par value of Rs. 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 approval of the shareholders, except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their share holding.

Reconciliation of the number of shares outstanding

PARTICULARS	31st March 2015		31st March 2014	
	No. of shares	Amount	No. of shares	Amount
Shares at the beginning of the year / period	87264087	174.53	86582287	173.16
Allotted under Employee Stock Option Scheme	213450	0.43	681800	1.37
Shares at the end of the year / period	87477537	174.96	87264087	174.53

Details of shareholders holding more than 5 % shares

Name of Share Holders	31st March 2015		31st March 2014	
	No. of shares held	% of Holding	No. of shares held	% of Holding
TCI FINANCE LTD	81,33,105	9.30	77,24,350	8.85
MAHENDRA INVESTMENT ADVISORS PVT LTD	37,35,991	4.27	80,65,105	9.24
RADHAKISHAN DAMANI	11,25,115	1.29	65,40,718	7.50
NEERA AND CHILDREN TRUST	55,99,995	6.40	-	-
MACQUARIE BANK LIMITED	50,00,000	5.72	-	-
	2,35,94,206	26.98	2,23,30,173	25.59

Details of shareholders holding more than 5 % shares

Shares reserved for issue under options and contracts/commitments

- 16,03,990 equity shares of Rs.2/- each are reserved under employee stock option scheme as on 31st March 2015 (Previous Period 17,06,590). Of this 4,61,532 options, 6,08,326 Options, 3,97,332 options and 1,36,800 will vest in the year 2015-16, 2016-17, 2017-18 and 2018-19 respectively.
- On December 12, 2011, the Company issued 22,182 Zero Coupon Unsecured Foreign Currency Convertible Bonds of US\$ 1,000 each for an amount of US\$ 22,182,000. The Bonds are convertible at any time on and after December 31, 2012 up to the close of business on November 13, 2016 by holders of the Bonds into fully paid equity shares with full voting rights with a par value of Rs 2/- each at an initial conversion price of Rs.38.51 per share with a fixed rate exchange on conversion of Rs.52.2285 to US\$. Unless previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed in US dollars at 132.8341 percent of principle amount on December 13, 2016 giving yield to maturity of 5.76 percent per annum calculated on semi-annual basis.

(Rs. in Million)

Notes to the Consolidated Financial Statements

PARTICULARS	As at 31st March 2015	As at 31st March 2014
2 RESERVE & SURPLUS		
Capital Reserves		
As per last balance sheet	834.82	208.17
Add: Forfeiture of upfront money on stock options not exercised	-	0.22
Add: Created during the year/period (Note 29)	-	626.43
Less: Adjusted with Special Reserve	(626.43)	-
	208.39	834.82
Securities Premium Reserve		
As per last balance sheet	1,453.22	1,487.10
Add : Additions during the year/period (i)	201.16	30.49
Less: Deductions during the year/period (ii)	(100.18)	(64.37)
Less: Transfer to Minority Interest	(18.80)	-
	1,535.40	1,453.22
Revaluation Reserve		
As per last balance sheet	59.55	59.57
Less: Transferred to Statement of Profit and Loss	-	(0.02)
	59.55	59.55
Share Option Outstanding Account		
As per last balance sheet	20.53	18.11
Additions during the year/period (iii)	13.62	15.12
Less: Transferred to Securities Premium Reserve (i)	(1.62)	(7.96)
Less: Deduction on cancellation of options not exercised (iii)	(5.38)	(4.74)
	27.15	20.53
Special Reserve		
As per last balance sheet	4,257.72	5,058.27
Less: Adjustments during the year/period (Note 29)	(2,563.28)	(800.55)
	1,694.44	4,257.72
General Reserve		
As per last balance sheet	892.58	835.12
Add: Transferred from statement of profit and loss	81.37	57.46
	973.95	892.58
Tonnage Tax Reserve (Utilized)		
As per last balance sheet	92.91	92.91
	92.91	92.91
Foreign Currency Translation Reserve		
As per last balance sheet	6.08	8.94
Add: Addition during the year/period	(8.62)	(2.86)
	(2.54)	6.08
Foreign Currency Monetary Item Translation Difference Account		
As per last balance sheet	(125.70)	(151.71)
Add: Provided during the year/period	(55.26)	(8.88)
Less: Amortised during the year/period	66.98	34.89
	(113.98)	(125.70)
Surplus as per Statement of Profit and Loss		
As per last balance sheet	62.14	80.45
Add: Profit for the year/period	412.08	234.22
Add: Dividend & Dividend Distribution Tax from Subsidiary of Previous period	112.84	-
Less: Adjustment of Depreciation as per Schedule II to the Companies Act 2013 (Note 35)	(33.70)	-
Interim dividend	(52.40)	-
Proposed Final dividend	(69.98)	(161.08)
Tax on dividend	(37.79)	(33.99)
Adjustment on account of desubsidiarization of Gati Ship Ltd. (Note 34)	500.60	-
Transfer of Loss to Minority Interest on dilution of Interest in Subsidiaries	24.22	-
Transferred to General Reserve	(81.37)	(57.46)
	836.64	62.14
	5,311.91	7,553.85

Notes to the Consolidated Financial Statements

- (i) On allotment of 2,13,450 (Previous Period 6,81,800) shares under Employee Stock Option Scheme and transferred from Share Option Outstanding account and on allotment of 17,74,616 Equity Shares and 9,32,237 Preference Shares in Gati Kausar India Ltd.
- (ii) Provision for Pro-rata Premium on redemption of Foreign Currency Convertible Bonds.
- (iii) In respect of options granted under the Companies Employees Stock Options Scheme and in accordance with the guidelines issued by Securities and Exchange Board of India the accounting value of options (based on market value of share on the date of grant of options minus the option price) is accounted as deferred employees compensation which is amortised on a straight line basis over the vesting period. Consequently employee benefit expenses includes Rs.8.46 Mn (Previous Period credit Rs.2.12 Mn) being amortisation of deferred employee compensation after adjusting for reversal on account of options refunds/lapsed and on account of re-imbursement of discount on option issued to Employees of the subsidiary.

(Rs. in Million)

PARTICULARS	As at 31st March 2015	As at 31st March 2014
3 LONG TERM BORROWINGS		
Secured:		
Debentures	240.00	-
Term Loan		
From Banks	1,358.01	1,194.03
From Others	21.40	76.63
Finance Lease - Ship	-	574.08
Unsecured		
Fixed Deposits	475.81	320.00
Foreign Currency Convertible Bonds [Note I (ii)]	1,388.39	1,333.13
	3,483.61	3,497.87
Less: Current Maturities of Long Term Borrowings (Note 9)	(774.23)	(826.19)
	2,709.38	2,671.68

Particulars of nature of security and terms of repayment		Secured to the Extent	
Nature of Security	Terms of Repayment	As at 31st March 2015	As at 31st March 2014
Secured Debentures Gati Kausar India Ltd. issued 240 secured, rated, redeemable, transferable, non-convertible debentures of face Value of Rs.1 Mn each fully paid. The debentures are secured by way of first charge on certain fixed assets, present and future of Gati Kausar India Ltd. and a second charge on the other fixed assets and the Company's stocks and book debts on which a first charge has already been created in favor of other lenders.	"Debentures aggregating to Rs.60 Mn and Rs.180 Mn are issued on October 2014 and January 2015 respectively for tenure of 60 months from the date of drawdown and will be redeemed through a bullet repayment at maturity, however the Company has an option to redeem the debentures, at the end of one year from the date of allotment. Debentures carry an coupon rate of 13.65% per annum, of which 5.65% per annum, is payable on quarterly basis and 8% per annum to be repaid on the date of debenture redemption and accordingly interest accrued but not due aggregating to Rs.5.84 Mn (31 March 2014: Nil) is classified under 'Other long-term liability'."	240.00	-
Secured Loans From Banks Property Situated at MG Road, Secunderabad and Pimpalas, Bhiwandi, Maharashtra.	Repayable in 4 Quarterly installments of Rs. 25 Mn and Rs. 37.5 Mn each starting from August, 2013 and December, 2014 respectively after a initial holiday period of 1 year.	51.34	129.52
Property situated at Samalka, Tehsil Vasant Vihar , New Delhi.	Repayable in 36 EMI starting from March, 2013.	34.47	67.99

Notes to the Consolidated Financial Statements

(Rs. in Million)

Particulars of nature of security and terms of repayment		Secured to the Extent	
Nature of Security	Terms of Repayment	As at 31st March 2015	As at 31st March 2014
Property situated at Kondapur village, Ranga Reddy District.	Repayable in 16 Quarterly Installments of Rs 15.63 Mn each commencing from August, 2014 after initial Holiday period of 1 year and repayable in 18 Quarterly Installments of Rs 8.33 Mn each starting from July 2015 after a moratorium period of 6 months.	228.49	147.13
Property situated at Shamirpet, Ranga Reddy District.	Repayable in monthly installments.	-	35.11
Property at Peenya, Bangalore. Subservient Charge on the current and fixed assets of the company with coverage up to 100% of the loan amount.	Initial term loan of Rs. 500 Mn repayable in 16 Quarterly installments of Rs. 31.25 Mn starting from June 2015 after a initial holiday period of 1 year; initial term loan Rs. 250 Mn. Repayable in 8 Quarterly Installments of Rs. 31.25 Mn starting from Nov 2014 after a initial holiday period of 1 year.	463.23	381.46
Exclusive charge on entire movable fixed assets, specifically on plant & machinery, computers, furniture and fixtures, office equipments.	Repayable in 23 Monthly Installments of Rs. 21.8 Mn starting from March 2013 after initial holiday period of 1 year.	-	180.20
Property situated at Binola (Haryana)	Repayable in 16 Quarterly installments of Rs. 15.62 Mn each commencing from September, 2015 after initial Holiday period of 1 year.	50.00	-
Property situated at Mumbai, charge to be created.	Part disbursement, loan repayable in 8 quarterly installments of Rs. 20 Mn each starting from June 2016 after a moratorium period of 1 year.	10.00	-
Hypothecation of Trucks & Vehicles against individual loans.	Repayable in monthly installments.	82.29	101.99
Property situated at Nagpur and Bangalore.	Repayable in 16 quarterly installments of Rs. 18.75 Mn each commencing from September, 2015 after initial holiday period of 1 year.	300.00	-
Property situated in Bangalore and Guwahati.	Repayable in 36 EMI of Rs. 0.56 Mn each.	6.75	-
Loans are fully secured by hypothecation of specific vehicles against which loan is availed and corporate guarantee extended by Gati Limited.	Repayable in monthly installments.	50.53	78.16
Loans are fully secured by hypothecation of specific vehicles against which loan is availed.	Repayable in monthly installments.	80.91	33.10
Secured by mortgage of immovable property.	Repayable in 16 installments starting from February, 2014, last installment due in May 2015.	-	39.38
From Others			
Loans are fully secured by hypothecation of specific vehicles against which loan is availed and corporate guarantee extended by Gati Limited.	Repayable in monthly installments.	2.34	17.61
Loans are fully secured by hypothecation of specific vehicles against which loan is availed.	Repayable in monthly installments.	19.06	59.02
Finance Lease - Ship Secured by leased Ship namely Gati Pride.	Repayable in monthly installments.	-	574.08
		1,619.41	1,844.75

Notes to the Consolidated Financial Statements

(Rs. in Million)

PARTICULARS	As at 31st March 2015	As at 31st March 2014
4 DEFERRED TAX LIABILITIES		
Difference between book & tax depreciation	73.53	60.83
	73.53	60.83
5 OTHER LONG TERM LIABILITIES		
Interest Accrued	17.87	5.51
	17.87	5.51
6 LONG TERM PROVISIONS		
Premium on redemption of Foreign Currency Convertible Bonds	286.51	186.33
	286.51	186.33
7 SHORT TERM BORROWINGS		
Secured		
Working Capital Loans		
From Banks	1,243.34	1,304.33
	1,243.34	1,304.33
Particulars of Nature of Security		
Secured Working Capital Loan from Banks		
Working capital loan is secured by first charge on entire current assets of the company present and future, on paripassu basis with other banks along with immovable properties situated at Bhiwandi (Maharashtra), Verna Industrial Estate (Goa) and personal guarantee of Managing Director.	214.99	67.20
Working capital loan is secured by first charge on entire book debts of the company on pari passu basis with other banks along with immovable properties in Chennai and Portblair as collateral security.	72.07	70.38
Working Capital Loans secured by hypothecation of book debts and other current assets of the company on paripassu basis with all constorium banks as primary security. Personal Guarantee of Managing Director and Corporate Guarantee extended by Gati Limited along with immovable properties as collateral.	945.91	1,058.25
Secured by hypothecation of specific vehicles of the Company and charge on the current assets along with the corporate guarantee extended by Gati Limited.	0.48	48.05
Working Capital Loan from bank secured by first charge on entire current assets of the company and equitable mortgage of specified immovable assets as collateral.	9.89	48.24
Primary Security : First and exclusive charge on all existing and future current assets and movable fixed asset of the company. Collateral Security : First and exclusive charge of Residential Flat situated at Bangalore and Guwahati, owned by holding company.	-	12.21
	1,243.34	1,304.33

Notes to the Consolidated Financial Statements

(Rs. in Million)

PARTICULARS	As at 31st March 2015	As at 31st March 2014
8 TRADE PAYABLES		
Acceptance (a)	452.12	199.94
Other Than Acceptances	355.79	532.39
	807.91	732.33
[(a) Under Vendor financing/discounting arrangements with the company's bankers on payment of interest and furnishing of corporate guarantee by Holding Company]		
9 OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Borrowings (Note 3)		
From Banks	588.41	565.88
From Others	185.81	260.31
Other Liabilities		
- Statutory Dues	37.86	52.87
- Security Deposit	136.14	106.08
- Other Liabilities	301.79	268.06
- Unpaid/Unclaimed Dividend [Rs. 0.66 Mn (Previous Period Rs. 0.47 Mn) has been transferred to Investor Education and Protection Fund during the year]	4.99	4.30
	1,255.00	1,257.50
10 SHORT TERM PROVISIONS		
Provision for Employee Benefits	92.53	61.56
Others		
- Taxation	567.78	413.83
- Proposed Final Dividend	69.98	161.08
- Tax on Dividend	23.99	17.00
	754.28	653.47

Notes to the Consolidated Financial Statements

Rs. in Million

DESCRIPTION	Gross Block			Depreciation					Net Carrying Value		
	As at April I, 2014	Additions during the year	Deductions during the year	Balance as at March 31, 2015	As at April I, 2014	For the year	Adjustment on deductions	Other Adjustments (c)	Balance as at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Tangible											
Land											
Freehold	551.17	256.50	5.43	802.24	-	-	-	-	-	802.24	551.17
Leasehold	103.38	-	-	103.38	-	1.11	-	-	1.11	102.27	103.38
Buildings	585.55	438.11	69.46	954.20	68.32	12.12	39.08	-	41.37	912.83	517.23
Vehicles	462.28	52.34	162.40	352.22	262.84	38.05	149.92	1.59	152.56	199.66	199.44
Plant & Equipments	860.12	171.54	233.31	798.35	390.76	70.46	134.75	0.84	327.31	471.04	469.36
Computers	418.42	167.49	271.97	313.94	323.47	55.76	271.49	10.37	118.11	195.83	94.95
Ships	1,354.28	-	1,354.28	-	363.96	3.33	367.29	-	-	-	990.31
Furniture & Fittings	247.93	104.71	86.59	266.05	129.61	39.36	84.49	4.47	88.95	177.10	118.32
Office Equipments	169.46	39.20	48.34	160.32	66.53	32.48	47.19	53.07	104.89	55.43	102.93
Leased Asset											
Asset taken on finance lease	793.99	-	793.99	-	162.12	3.93	166.05	-	-	-	631.88
Subtotal	5,546.58	1,229.89	3,025.77	3,750.70	1,767.61	256.60	1,260.26	70.34	834.30	2,916.40	3,778.97
Intangible			-								
Computer Software	169.72	14.16	132.45	51.43	154.74	8.18	132.45	-	30.47	20.96	14.98
Total (A)	5,716.31	1,244.05	3,158.22	3,802.13	1,922.35	264.78	1,392.71	70.34	864.77	2,937.36	3,793.95
Previous Year	5,641.07	137.23	62.00	5,716.31	1,769.64	185.82	33.11	-	1,922.35	3,793.95	3,871.43
Capital Work-in-Progress (B)										27.47	387.07
Total (A+B)										2,964.83	4,181.03

11 FIXED ASSETS

(Rs. in Million)

- A part of Land & Buildings were revalued on 31st December, 1997, 29th June, 1999, and 31st March, 2000 and the resultant increases in the value of assets by Rs.4.60 Mn, Rs.14.13 Mn and Rs.14.84 Mn respectively and aggregating to Rs.33.56 Mn was transferred to Revaluation Reserve.
- Depreciation for the year includes Rs. 0.02 Mn (Previous Period Rs. 0.02 Mn) in respect of above revaluations.
- Adjustment of Depreciation as per Schedule II of the Companies Act, 2013. (Note 35)

Notes to the Consolidated Financial Statements

(Rs. in Million)

PARTICULARS	As at 31st March 2015	As at 31st March 2014
12 NON CURRENT INVESTMENTS		
Long Term Investments (At Cost)		
Non - Trade		
Fully Paid Equity Shares of Joint Stock Companies		
Quoted		
16,00,300 shares of TCI Finance Ltd of Rs. 10/- each. (Market Value - Rs. 53.21 Mn; Previous Period Rs. 28.95 Mn)	14.39	14.39
100 shares of SBI of Rs. 100/- each. (Market Value - Rs. 0.03 Mn; Previous Period Rs. 0.19 Mn)	0.01	0.01
	14.40	14.40
Unquoted		
1,87,50,000 shares of Amrit Jal Ventures Pvt. Ltd. of Rs. 10/- each. (Pledged with Institution for providing Financial Assistance to Amrit Jal Ventures Pvt. Ltd.)	187.50	187.50
18,000 shares of ITAG Infrastructure Ltd. of Rs. 10/- each.	0.18	0.18
Debentures		
34,57,236 14.5% Unsecured Optionally Convertible Debentures of Amrit Jal Ventures Pvt Ltd. of Rs.100/- each. (issued in the period 2013-14 in repayment of loan of equivalent amount)	345.72	345.72
9,93,354 14.5% Unsecured Optionally Convertible Debentures of Gati Infrastructure Sada-Mangder Power Private Limited of Rs. 100/- each. (Issued during the year in repayment of loan and interest thereon of an equivalent amount granted by Gati Limited in earlier years to Gati Infrastructure Sada - Mangder Power Private Limited on the terms of subscription, redemption or conversion and other conditions as per Investment Agreement dated 6 May 2014.)	99.34	-
	647.14	547.80
13 LONG TERM LOANS AND ADVANCES		
Considered Good		
- Capital Advances	28.55	100.83
- Advances and Rental Deposits	206.33	662.12
- Earnest Money & Security Deposits	3.63	172.80
- Other Deposits	94.77	348.94
Considered Doubtful		
- Capital Advances	5.90	5.90
- Less: Provision for Doubtful Advances	(5.90)	(5.90)
- Other Deposits	-	53.29
	333.28	1,337.98
14 OTHER NON CURRENT ASSETS		
Pre Operative Expenses	0.27	0.22
Deferred Employees Stock Option Scheme	17.17	17.38
	17.44	17.60
15 CURRENT INVESTMENTS		
Non trade, Unquoted - Value at cost	25.31	-
(2,52,929 units of Rs. 100 /- in ICICI Prudential Liquid Mutual Fund)		
	25.31	-

Notes to the Consolidated Financial Statements

(Rs. in Million)

PARTICULARS	As at 31st March 2015	As at 31st March 2014
16 INVENTORIES		
(As taken, valued and certified by the Management)		
Stores and Spare Parts	4.70	86.45
Diesel, Petrol, Lubricants etc	9.06	15.68
Trading Goods	21.08	16.96
(At lower of cost and net realizable value)		
	34.84	119.09
17 TRADE RECEIVABLES (Unsecured)		
Outstanding for more than six months from due date		
- Considered Good	81.50	256.42
- Considered Doubtful	54.95	37.49
	136.45	293.91
Less: Provision for doubtful debts	(54.95)	(19.13)
	81.50	274.78
Others	2,587.35	2,139.44
	2,668.85	2,414.22
18 CASH AND CASH EQUIVALENTS		
Cash in Hand	62.91	37.33
Balances with Bank		
- In Current Accounts	48.27	91.84
- In Deposit Accounts	475.84	174.55
- In Unpaid/Unclaimed Dividend Accounts	4.99	4.30
	592.01	308.02
19 SHORT TERM LOANS AND ADVANCES		
Unsecured and Considered Good		
Prepaid Expenses	56.70	46.15
Cenvat Credit Receivable	18.36	31.25
Loans and Advances to Other Parties	581.54	695.25
Operational Advances	57.84	907.09
Advances to Employees	2.99	5.47
Interest Accrued	158.66	101.16
Tax Deduction at Source/Advance Tax	780.52	572.98
Others	29.43	19.59
	1,686.04	2,378.94
(In the opinion of the Board, all the assets other than fixed assets and non-current investments have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.)		

Notes to the Consolidated Financial Statements

(Rs. in Million)

PARTICULARS	Twelve Months ended 31st March 2015	Nine Months ended 31st March 2014
20 REVENUE FROM OPERATIONS		
Freight, Demurrage and Miscellaneous Charges	13,612.16	8,950.93
Warehousing, Logistics & Other Services	270.53	142.81
Shipping Freight, Charter Hire, Miscellaneous Charges	10.72	209.47
Other Operating Income	98.74	53.34
Sale of Products	2,488.95	1,792.34
	16,481.10	11,148.89
21 OTHER INCOME		
Rent	6.71	5.69
Profit on Sale of Fixed Asset (Net)	12.00	30.03
Dividends	1.57	-
Interest	93.81	82.77
Liabilities no longer required written back	10.47	3.04
Miscellaneous Income	21.19	1.39
	145.75	122.92
22 PURCHASE OF STOCK IN TRADE		
Diesel, Petrol, Lubricants	1,982.55	1,462.63
Others	350.57	286.78
	2,333.12	1,749.41
23 CHANGES IN INVENTORIES OF STOCK IN TRADE		
Inventories at the beginning of the year/ period	32.63	31.30
Inventories at the end of the year/ period	(30.14)	(32.63)
	2.49	(1.33)
24 OPERATING EXPENSES		
Freight	8,288.47	5,367.76
Vehicles' trip Expenses	457.42	400.33
Tyres and Tubes	13.48	11.25
Warehouse Rent	76.84	58.72
Other Operating Expenses	810.10	640.93
Claims for Loss & Damages (Net)	64.46	52.39
Commission	66.63	2.10
Vehicles' taxes	9.05	4.60
Vehicles' and ships Insurance	5.24	8.83
Power, Fuel and Water Expenses	4.69	61.62
Stores and Spare Parts Consumed	0.27	1.88
Transport and Warehousing	-	3.10
Port and Survey Expenses	2.00	13.50
	9,798.65	6,627.01

Notes to the Consolidated Financial Statements

(Rs. in Million)

PARTICULARS	Twelve months ended 31st March 2015	Nine months ended 31st March 2014
25 EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages and Bonus	1,442.18	952.34
Gratuity	29.00	13.61
Contribution to Provident and Other Funds	46.11	33.29
Contribution to Employees' State Insurance	7.34	6.44
Other Expenses	40.32	21.25
	1,564.95	1,026.93
26 FINANCE COSTS		
Interest expenses	415.27	332.56
Other Borrowing Costs	7.53	7.28
Less: Capitalised during the year/period	(3.60)	(14.87)
	419.20	324.97
27 DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation for the year/ period	264.78	185.82
Add: Amortization of Foreign Currency Monetary Item Translation Difference Account	66.98	34.89
Less: Transfer from Revaluation Reserve	-	(0.02)
	331.76	220.69
28 OTHER EXPENSES		
(A) ADMINISTRATIVE EXPENSES		
Rent	383.91	238.88
Rates and Taxes	15.36	13.16
Insurance	13.41	10.78
Telephone Expenses	42.57	26.43
Printing and Stationery	40.63	26.09
Travelling Expenses	93.23	58.47
Legal Expenses	27.94	22.03
Advertisement Expenses	58.51	33.15
Office Maintenance and Repairs	192.27	114.88
Electricity Expenses	89.35	60.99
Remuneration to Directors	2.55	0.95
Commission to Non-Whole-Time Directors	3.40	1.75
Remuneration to Auditors:		
Audit Fees	2.69	2.84
Tax Audit Fees	0.98	1.12
Bad Debts and irrecoverable balances written off (Net) (a)	61.25	53.89
Difference in Exchange (Net)	0.61	3.04
IT Network Expenses	37.87	24.64
Charity and Donations	8.14	6.28
Miscellaneous Expenses (b)	260.80	148.45
	1,335.47	847.82
(a) Includes provision for doubtful debts Rs.40.91 Mn (Previous Period Rs.6.37 Mn)		
(b) Includes expenses for CSR activities Rs. 9.13 Mn (Previous Period Rs. 7.35 Mn)		

Notes to the Consolidated Financial Statements

(Rs. in Million)

PARTICULARS	Twelve months ended 31st March 2015	Nine months ended 31st March 2014
(B) OTHER EXPENSES		
Motor Trucks	3.19	10.87
Other Vehicles	11.72	9.81
Plant and Equipments	4.70	6.07
Computers	32.91	33.01
Buildings	0.36	0.11
Ships	1.04	14.86
	53.92	74.73
	1,389.39	922.55

- 29** The Hon'ble Andhra Pradesh High Court, vide its order dated 19th March, 2013 approved the Scheme of Arrangement for amalgamation of five wholly owned subsidiaries of Gati Limited (Transferee Company) with effect from 31st March, 2013, the appointed date.

The Scheme permits the Company to create a capital reserve to be called Special Reserve to which shall be credited excess of value of assets over value of liabilities in the books of the Transferee Company amounting to Rs.5,555.43 Mn which shall be utilized by the Transferee Company to adjust there from 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 the Board of Directors may deem fit.

In accordance with the Scheme

- The loss of Rs.640 Mn on sale of investment of 40,00,000 Nos Equity shares of subsidiary Gati Ship Limited was adjusted against Special Reserve in the year 2012-13.
- On professional advice, the Board of Directors carried out the following adjustments against Special Reserve during the year 2013-14.
 - The diminution in value of Investment in Gati Asia Pacific Pte Ltd of Rs. 275.05 Mn and in value of Investment in Gati Ship Limited of Rs.1,080.10 Mn has been adjusted against Special Reserve.
 - Irrecoverable advances to subsidiary Gati Ship Limited of Rs. 626.43 Mn and balance consideration receivable for Sale of Investments in shares of subsidiary Gati Ship Limited of Rs.48 Mn was adjusted against Special Reserve.
 - Irrecoverable other advances made in earlier years aggregating to Rs.126.11 Mn was adjusted against Special Reserve.
- During the year 2014-15, on professional advice, the irrecoverable advances to subsidiary Gati Ship Limited of Rs. 238.44 Mn net of Rs.3.02 Mn realised on sale of 12,10,000 equity shares of Gati Ship Limited, investment in Gati Ship Limited Rs. 1,080.10 Mn, loss on transfer of shipping division in Gati Limited during F.Y 2011-12 Rs.1,101.90 Mn and other losses Rs. 142.84 Mn have been adjusted against Special Reserve.

The above adjustments otherwise, required to be debited to the Statement of Profit and Loss and adjusted against Special Reserve are not in accordance with the Accounting Standard (AS) 13 'Accounting for Investments' and Accounting Standard (AS) 5 'Net Profit or Loss for the year, prior period items and changes in accounting policies'. Had the Scheme not prescribed the above accounting treatment the accounts would have reflected as follows:

Statement of Profit and Loss:	Increase	Decrease
Profit before tax		2,563.28
Profit for the year		2,563.28
Balance Sheet:		
Special Reserve	2,563.28	
Surplus in Statement of Profit or Loss		2,563.28

- 30** The step-down overseas subsidiary, Gati Hong Kong Limited has capital deficiency, has incurred net loss of Rs. 3.40 Mn (HK\$ 0.42 Mn) during the year and has total liabilities exceeding total assets as at 31st March, 2015 by Rs. 20.21 Mn (HK\$ 2.51 Mn) which indicate the existence of a material uncertainty giving rise to significant doubt as the company's ability to continue as a going concern. The ultimate parent company undertakes to provide continuing financial support to the step-down subsidiary to meet its liabilities when they fall due. Accordingly, the financial statements do not require any adjustments relating to realization of the value of assets and to provide for any further liabilities.

Notes to the Consolidated Financial Statements

- 31** During the year one of the step-down overseas subsidiary Gati China Holdings Ltd, was closed on 27th October 2014 and the shares held by Gati China Holdings Ltd in Gati Cargo Express (Shanghai) Co. Ltd. have been transferred to Gati Asia Pacific Pte Ltd.
- 32** The overseas subsidiary Gati Asia Pacific Pte. Ltd. has overdues from a related party of Rs. 107.98 Mn (\$2.38 Mn) for which the subsidiary has not provided impairment allowance.
- 33** In an earlier year the Company has granted unsecured loan of Rs. 100 Mn to a body corporate out of which Rs. 17.50 Mn was realised during the year leaving a balance Rs 82.50 Mn along with interest receivable of Rs. 39 Mn. The net worth of the body corporate has fully eroded because of losses suffered from year to year. However, the management is confident of full recovery of the balances due and interest receivable and therefore no provision is considered necessary for any possible losses that may arise in this behalf.
- 34** During the year the company sold 12,10,000 equity shares (12.09%) in Gati Ship Ltd. for Rs. 3.02 Mn. Consequently Gati Ship Ltd. ceased to be a subsidiary from May 16, 2014 and is now an associate. Gati Ship Limited has since closed its operations from the month of November, 2014. This resulted in adjustment due to Amalgamation amounting to Rs. 500.60 Mn.
- 35** During the year, in compliance with the requirement of Schedule II of the Companies Act, 2013 effective 1st April 2014, the company has revised useful life of its fixed assets. In case of asset whose useful life has expired as on 31st March 2014 the carrying value (net of deferred tax of Rs. 25.47 Mn) of the assets amounting to Rs. 33.70 Mn has been adjusted with the opening balance of retained earnings. Accordingly depreciation for the year is higher by Rs. 44.19 Mn and the profit after tax is lower by the same amount.
- 36** Pursuant to the notification issued by the Ministry of Corporate Affairs dated 29th December 2011 on Accounting Standard 11, the company has opted to adjust the carrying cost of depreciable fixed assets/ to amortize the exchange differences on the Long term Foreign Currency Monetary Items over their tenure. Accordingly as on March 31, 2015 Rs. 113.98 Mn. has been carried forward in the "Foreign Exchange Monetary Item Translation Difference Account" (FCMITDA). Consequently the net profit is lower by Rs. 11.73 Mn for the year ended 31st March 2015.
- 37** Loans and Advances includes Rs. 265.98 Mn due from Air India Limited. The matter was referred to arbitration of the Arbitral Tribunal appointed by the parties. The Arbitral Tribunal passed an award dated 17th September 2013 whereby it has inter alia, directed Air India Limited to pay an amount of Rs. 268.20 Mn to the Company and to pay interest @18% per annum on the awarded amount. Air India has preferred an appeal before the Hon'ble Delhi High Court seeking setting aside of the Award and the matter is pending disposal. In the circumstances, the dues from Air India included in loans & advances, are considered good for recovery by the management.
- 38** The Board of Directors of the company has allotted 1,17,450 equity shares on exercise of options by the employees under the Employee Stock Option Scheme and 96,000 equity shares to Non Executive Directors at a premium of Rs. 26 per share. Consequently the Equity Share Capital of the company increased from 8,72,64,087 equity shares of Rs 2/- each to equity shares 8,74,77,537 of Rs 2/- each during the year.
- 39** In response to company's application to Reserve Bank of India (RBI) seeking permission for part repurchase of FCCBs, RBI vide its letter dated 27th September, 2013 accorded permission while stating that the Company was not eligible borrower under the automatic route and the borrowing be treated as a Foreign Debt. The Company was levied a compounding fee of Rs. 29.59 Mn which the Company has since deposited during the year and is disclosed as an exceptional item in the Statement of Profit and Loss.
- 40** The company is awaiting clarification from the Reserve Bank of India on various matters pertaining to Foreign Currency Convertible Bonds issued by the company. In the meanwhile the trustee of the bond holders has filed a civil suit in the Secunderabad Court for specific performance, which the company is contesting on various grounds. The matter is subjudice.

Notes to the Consolidated Financial Statements

41. Segment wise revenue, results and capital employed

Primary Business Segment

Express Distribution and Supply Chain: Covers Integrated cargo Services - Road, Rail and Air Transportation

Shipping : Covers Sea Transportation

Fuel Stations : Covers Fuel Stations dealing in petrol, diesel and lubricants etc.

(Rs. in Million)

Particulars	Twelve months ended 31st March 2015	Nine months ended 31st March 2014
1. Segment Revenue (Net Sale / Income from each Segment)		
a) Express Distribution & Supply Chain	14,004.17	9,183.34
b) Shipping	17.32	191.53
c) Fuel Sales	2,029.29	1,492.68
d) Other Sales	463.89	306.34
Total	16,514.67	11,173.89
Less: Inter Segment Revenue	33.57	8.17
Net Sales / Income from Operations	16,481.10	11,165.72
2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)		
a) Express Distribution & Supply Chain	1,168.84	788.33
b) Shipping	(12.83)	(87.35)
c) Fuel Sales	32.43	22.78
d) Other Sales	18.05	2.77
Total	1,206.49	726.53
Less: Interest Expenses	419.20	324.98
Total Profit before tax and Exceptional Items	787.29	401.55
3. Capital Employed		
Segment Assets		
a) Express Distribution & Supply Chain	11,121.18	10,507.93
b) Shipping	-	3,668.51
c) Fuel Stations	112.95	68.42
d) Unallocated/ Corporate/ Inter Segment	2,144.86	1,469.11
Total Assets	13,378.99	15,713.97
Segment Liabilities		
a) Express Distribution & Supply Chain	1,581.96	1,178.32
b) Shipping	-	61.68
c) Fuel Stations	2.64	8.01
d) Unallocated/ Corporate/ Inter Segment	6,367.07	6,797.14
Total Liabilities	7,951.67	8,045.15
Capital Employed	5,427.32	7,668.82

Notes to the Consolidated Financial Statements

(Rs. in Million)

Particulars	Twelve months ended 31st March 2015	Nine months ended 31st March 2014
Secondary Business Segment		
1. Segment Revenue (Net Sale/Income)		
a) India	16,191.36	10,980.22
b) International	354.59	220.93
Total	16,545.95	11,201.15
Less: Inter Segment Revenue	64.85	35.43
Net Sales/Income from Operations	16,481.10	11,165.72
2. Segment Results		
a) India	1,216.09	752.58
b) International	(9.60)	(26.05)
Total	1,206.49	726.53
Less: Interest	419.20	324.98
Total profit before tax	787.29	401.55
3. Capital Employed		
Segment Assets		
a) India	11,110.73	14,181.13
b) International	123.40	144.45
c) Unallocated Corporate Assets	2,144.86	1,388.39
Total Assets	13,378.99	15,713.97
Segment Liabilities		
a) India	1,494.56	1,365.32
b) International	90.04	88.84
c) Unallocated Corporate Liabilities	6,367.07	6,590.99
Total Liabilities	7,951.67	8,045.15
Capital Employed	5,427.32	7,668.82

42 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associates / Joint Ventures.

Name of the Enterprise	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent				
Gati Limited	98.57%	6,200.58	57.92%	238.65
Subsidiaries				
Indian				
1. Gati-Kintetsu Express Pvt. Ltd.	37.16%	2,337.87	97.62%	402.28
2. Gati Kausar India Ltd.	4.69%	295.01	-9.24%	-38.08
3. Gati Import Export Trading Ltd.	0.77%	48.50	2.62%	10.79
4. Zen Cargo Movers Pvt. Ltd.	-0.14%	(8.80)	0.07%	0.28
5. Gati Logistics Parks Pvt. Ltd.	0.00%	0.10	-	-
6. Gati Projects Pvt. Ltd.	0.00%	0.10	-	-
Foreign				
1. Gati Asia Pacific Pte Ltd.	0.24%	15.19	-3.09%	(12.74)
Minority interest in all subsidiaries	12.63%	794.51	37.25%	153.49
Associates				
Indian				
1. Gati Ship Ltd.	17.76%	1,117.28	-3.42%	(14.09)

Notes to the Consolidated Financial Statements

43 Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures (Rs. in Million)

PART "A": SUBSIDIARIES														
Sl. No.	Name 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	Turn over	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share-holding
1	Gati Asia Pacific Pte Ltd.	April-March	SGD = INR 45.3249	329.38	(150.14)	247.49	68.25	135.99	33.81	8.77	-	8.77	-	100% held by Parent
2	Gati Hong Kong Ltd.	April-March	HKD = SGD 0.1774	27.69	(47.90)	9.26	29.47	-	31.52	(3.39)	-	(3.39)	-	100% held by GAP
3	Gati Cargo Express (Shanghai) Co. Ltd.	April-March	RMB = SGD 0.2237	94.90	(69.69)	77.23	52.02	-	234.48	36.40	-	36.40	-	100% held by GAP
5	Gati (Thailand) Co. Ltd.	April-March	THB = SGD 0.0421	9.54	(42.57)	27.82	60.84	-	50.41	(2.79)	-	(2.79)	-	49% held by GAP
4	Gati-Kintetsu Express Pvt. Ltd.	April-March	INR	5.00	2,332.87	5,497.15	3,159.28	-	11,424.28	743.42	168.73	574.69	120.00	70% held by Parent
5	Gati Kausar India Ltd.	April-March	INR	74.58	220.43	697.37	402.36	25.31	461.53	(47.60)	-	(47.60)	-	79.86% held by Parent
6	Gati Import Export Trading Ltd.	April-March	INR	23.00	25.50	146.32	97.82	-	470.37	16.07	5.28	10.79	-	100% held by Parent
7	Zen Cargo Movers Pvt Ltd.	April-March	INR	3.62	(12.42)	6.44	15.24	-	3.43	0.28	-	0.28	-	100% held by Parent
8	Gati Logistics Parks Pvt. Ltd.	April-March	INR	0.10	-	190.15	190.05	-	-	-	-	-	-	100% held by Parent
9	Gati Projects Pvt. Ltd.	April-March	INR	0.10	-	0.15	0.05	-	-	-	-	-	-	100% held by Parent

1. Names of the subsidiaries which are yet to commence operations

Sl. No.	Name of the companies
1	Gati Logistics Parks Pvt. Ltd.
2	Gati Projects Pvt. Ltd.

2. Gati China Holdings Ltd and Gati Cargo Malaysia SDN BHD have been liquidated during the year.

Notes to the Consolidated Financial Statements

PART "B": ASSOCIATES AND JOINT VENTURES

(Rs. in Million)

Sl. No.	Name of the Associate/ Joint Venture	Latest audited Balance Sheet date	Shares of Associate/ Joint Ventures held by the company on the year end			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	Profit/loss for the year	
			No. of shares	Amount of Investment	Extent of holding %				Considered in consolidation	Not considered in consolidation
I	Gati Ship Ltd.	31st March, 2015	48,00,000	862.30	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 16th May, 2014. Hence the same is not considered in consolidation.	535.74	(23.49)	(954.52)

- I. Gati Ltd. sold 12% stake of Gati Ship Ltd. on 16th May, 2014 whereby the total holding from that day is reduced to 48% and thus has become an associate of the company. The loss of Rs. 14.09 Mn pertaining to the period from 1st April, 2014 to 16th May, 2014 has been considered in the financial results for the year ending 31st March, 2015.

Note: 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.

44	Particulars	31st March 2015	31st March 2014
	Contingent Liability not provided for in respect of		
	(i) Bank Guarantees	56.05	121.18
	(ii) Guarantees and Counter Guarantees outstanding	1,040.62	1,379.66
	(iii) Income Tax demands disputed in appeals	560.91	-
	(iv) Estimated amount of contracts remaining to be executed on capital account and not provided for	1.20	34.46
	(v) Arrears of dividend on CCCPS excluding dividend distribution tax	0.19	-
		1,658.97	1,535.30
	Earning per share		
	(i) Net profit after tax available for equity shareholders - for Basic and Diluted EPS	412.08	234.19
	(ii) Weighted average no. of ordinary shares for Basic EPS (Nos.)	873,03,268	866,85,141
	Add: Adjustments for Foreign Currency Convertible Bonds and Stock Options	310,84,030	303,56,824
	(iii) Weighted average no. of ordinary shares for Diluted EPS (Nos.)	1,183,87,299	1,170,41,965
	(iv) Nominal value of Ordinary Shares (Rs.)	2.00	2.00
	(v) Basic Earning per Ordinary Share (Rs.)	4.72	2.70
	(vi) Diluted Earning per Ordinary Share (Rs.)	3.48	2.00

45 RELATED PARTY DISCLOSURE

Related parties with whom transactions have taken place during the year

i Directors / Key Management Personnel:

Mr. Mahendra Agarwal (Managing Director & CEO)
Mr. Sanjeev Kumar Jain (Director Finance)
Mr. VSN Raju (Company Secretary)

ii Relative of Key Management Personnel:

Mr. Anand Kumar Agarwal (Brother of Mr. Mahendra Agarwal)
Mr. Dhruv Agarwal (Son of Mr. Mahendra Agarwal)
Mr. Manish Agarwal (Son of Mr. Mahendra Agarwal)

Notes to the Consolidated Financial Statements

iii Associates

1. Gati (Thailand) Co. Ltd.
2. Gati Ship Ltd. (formerly known as Gati Ship Pvt. Ltd.)

iv Others

- | | |
|--------------------------------------------------|--------------------------------------------|
| 1. Gati Intellect Systems Ltd. | 8. Mahendra Kumar Agarwal & Sons (HUF) |
| 2. TCI Finance Ltd. | 9. ITAG Infrastructure Ltd. |
| 3. Giri Roadlines & Commercial Trading Pvt. Ltd. | 10. ITAG Business Solutions Ltd. |
| 4. Jubilee Commercials & Trading Pvt. Ltd. | 11. Mahendra Investment Advisors Pvt. Ltd. |
| 5. Gati Cargo Management Services Ltd. | 12. Amrit Jal Ventures Pvt. Ltd. |
| 6. TCI Hi-ways Pvt. Ltd. | 13. Coast to Coast Shipping Limited |
| 7. TCI Industries Ltd. | 14. Gati Academy |

(Rs. in Million)

Sl. No.	Nature of Transaction	KMP & Relative of KMP	Associates & Others	31st March 2015	31st March 2014
A	Expenditure				
	Rent	-	8.51	8.51	4.77
	Freight and Other Charges	-	67.35	67.35	71.96
	Port Expenses	-	-	-	1.48
	Manpower expenses	-	104.18	104.18	43.41
	Donation	-	3.60	3.60	0.50
	Directors Sitting Fee	3.00	-	3.00	0.92
B	Key Management Personnel				
	Remuneration	58.69	-	58.69	34.83
	Revenue				
	Freight and Other Charges	-	44.03	44.03	0.76
	Warehouse income	-	17.49	17.49	-
	Interest	-	66.04	66.04	45.59
	Rent & Management Fee	-	-	-	4.50
C	Dividend paid	-	75.00	75.00	70.00
D	Transaction during the year/period				
	Investments made	-	99.34	99.34	345.72
	Investments sold	-	217.62	217.62	-
E	Balance at the year end			31st March 2015	31st March 2014
	Investments	-	1,509.43	1,509.43	547.79
	Sundry Debtors	-	16.02	16.02	1.00
	Other Receivables	-	1.80	1.80	-
	Loans & Advances	-	446.64	446.64	150.29
	Diminution in the Value of Investment	-	862.30	862.30	-
	Sundry Creditors	-	4.95	4.95	5.15
	Deposits and Advances (Taken)	-	-	-	78.97

Notes to the Consolidated Financial Statements

46 Significant Accounting Policies:

These consolidated financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

Recognition of Income & Expenditure

- Income and expenditure are generally recognised on accrual basis in accordance with the applicable accounting standards and provision is made for all known losses and liabilities.
- Freight Income is accounted when goods are delivered by the Company to customers.
- Freight expenses are accounted when hired vehicles deliver goods to the Company at destination.
- Having regard to the size of operations and the nature and complexities of the company's business, freight received/paid in advance is accounted as income/expenses on payment and interdivisional transfers are eliminated.
- Year-end liability in respect of claims for loss and damages is provided as calculated by claims recovery agents.

Gratuity and Leave Encashment

A provision for gratuity liability to employees is made on the basis of actuarial valuation and paid to the approved Gratuity Fund and a provision for leave encashment is made on the basis of actuarial valuation. The Principal assumption used in determining gratuity and leave encashment for the company's plan are shown below:

Particulars	March 2015	March 2014
Discount Rate	9%	9%
Future Salary Increase	8%	8%
Employee Turnover	9%	7%
Average Balance Service (For Gratuity)	27.05 years	24.92 years

Provident Fund

Provident fund contribution is remitted to appropriate authority.

Superannuation Fund

Superannuation fund contribution is remitted to approved trust fund.

Fixed Assets

- Fixed assets are stated at cost and / or at revaluation. Cost includes borrowing cost and indirect expenditure capitalized to the extent it relates to the construction activity or incidental thereto.
- Depreciation is provided on straight line method over the useful life of assets specified in Schedule II to the Companies Act, 2013. Depreciation on addition/deductions is calculated prorata from/to the date of addition/deduction. Individual assets costing upto Rs.5,000/- are depreciated fully in the year of acquisition.

Investments

- Investments are stated at cost or at the fair values.
- Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

Inventories

Petroleum products are valued at lower of cost and net realisable value.

Foreign Exchange Transaction

- Foreign currency transactions are recorded at average rate for the month.
- Monetary items in foreign currency at the year end are converted in Indian currency at the year end rates. In terms of the amendments to Accounting Standard 11 on The Effects of Changes in Foreign Exchange Rates, exchange differences relating to long-term monetary items are dealt with in the following manner:
 - Exchange differences relating to long-term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to/deducted from the cost of the asset and depreciated over the balance life of the asset.
 - In other cases such differences are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" and amortized over the balance life of the long-term monetary item, not beyond 31 March, 2020.
- Any income or expense on account of exchange difference either on settlement or translation is recognized in the Statement of Profit & Loss.
- In respect of forward exchange contracts, the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expense over the life of the contract.

Notes to the Consolidated Financial Statements

Taxation

Income Tax

Provision for tax is made for both current and deferred taxes. Provision for current income tax is made on the current tax rates based on the working results of the year. The company provides for deferred tax based on the tax effect of timing differences resulting from the recognition of items in the accounts and in estimating its current tax provision. The effect on deferred taxes of a change in tax rate is recognised in the year in which the change is effected.

Impairment of Assets

Impairment of Assets are assessed at each balance sheet date and loss is recognised whenever the recoverable amount of an asset is less than its carrying amount.

Consolidated Financial Statements have been prepared on the following principles:

- In respect of subsidiary company, the financial statements have been consolidated on line by line basis by adding together the book values of like items of Assets, Liabilities, Income and expenditure, after fully eliminating intra-group balances and intragroup transactions resulting in unrealized profits/losses, as per Accounting Standard 21 "Consolidated Financial statement", notified by Companies (Accounts) Rules, 2014.
- In case of foreign subsidiaries being non integral foreign operations, revenue items are consolidated at the average rate prevailing during the period. All the assets and liabilities are converted at the rate prevailing at the end of the period. Any exchange difference arising on consolidation is recognized in the "Translation reserve".
- The excess of cost to the company of its investment in Subsidiary and Associate is recognized in the financial statement as Goodwill, which is tested for impairment on every Balance Sheet date. The excess of company's share of equity and reserves of the Subsidiary and Associate companies over the cost of acquisition is treated as Capital Reserve.
- Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- Minority's share of assets, liabilities, related reserves and profit/loss during the period have been consolidated together and has been shown under Minority interest with corresponding deduction from the respective line items of financials.

Signatures to Notes "I" to "46"

In terms of our Report of even date attached

For and on behalf of the Board

For R.S. Agarwala & Co.
Chartered Accountants
Firm's Regn No. : 304045E

Sanjeev Jain
Director Finance
DIN:05325926

KL Chugh
Chairman
DIN:00140124

Mahendra Agarwal
Founder & CEO
DIN:00179779

R. S. Agarwala
Partner
Membership No. 005534

VSN Raju
Company Secretary
M.No.A11701

N. Srinivasan
Director
DIN:00004195

Camp: Hyderabad
Date: April 28, 2015

Consolidated Cash Flow Statement for the year ended 31st March, 2015

(Rs. in Million)

PARTICULARS	31st March 2015	31st March 2014
(I) Cash Flows From Operating Activities		
Net Profit After Tax But Before Minority Interest	565.57	283.14
Add :		
Provision For Tax	192.13	118.41
Net Profit Before Taxation And Exceptional Items	757.70	401.55
Non-Cash Adjustment To Reconcile Profit Before Tax To Net Cash Flows:		
Depreciation And Amortisation Expense	331.76	220.70
Interest Expense On Borrowings (Net)	419.20	324.98
Profit On Sale Of Fixed Assets (Net)	(12.00)	(13.20)
Interest Income	(93.81)	(82.77)
Dividend Income From Mutual Fund Investments	(1.57)	-
Rental Income	(6.71)	(5.69)
Operating Profits Before Working Capital Changes	1,394.57	845.57
Changes In Assets And Liabilities		
(Increase) / Decrease In Trade Receivables (Net of Provision For Doubtful Debt)	(466.68)	(211.41)
(Increase) / Decrease In Inventories	1.67	(0.73)
(Increase) / Decrease In Loans & Advances And Other Current Assets	(55.11)	(209.56)
Increase / (Decrease) In Short Term Borrowings	(12.74)	(77.03)
Increase / (Decrease) In Trade Payables	110.84	68.78
Increase / (Decrease) In Other Liabilities	73.23	(9.18)
Increase / (Decrease) In Provisions	33.61	(4.87)
Cash Generated From Operations	1,079.40	401.57
Income Tax Paid	(218.14)	(92.31)
Net Cash Generated From Operating Activities	861.26	309.27
(II) Cash Flow From Investing Activities		
Payment Towards Capital Expenditure	359.61	(149.38)
Investment In Mutual Fund Units	(25.31)	-
Interest Income Received	93.81	82.77
Dividend Income Received From Mutual Fund Investments	1.57	-
Rent Income Received	6.71	5.69
Payment Towards Acquisition of Fixed Assets (Net)	(1,223.91)	(95.15)
Opening Cash Balance And Loss of Gati Ship Limited Adjusted	22.62	-
Proceeds From Sale of Investment In Gati Ship Limited	3.02	-
Net Cash From Investing Activities	(761.88)	(156.06)

(Rs. in Million)

PARTICULARS	31st March 2015	31st March 2014
(III) Cash Flow From Financing Activities		
Proceeds From Issuance of Share Capital (Inclusive Of Securities Premium)	283.02	23.89
Proceeds From Issuance of Deposits	155.81	127.03
Proceeds From Issuance of Debentures And Long Term Borrowings From Banks And Others	388.13	(26.58)
Dividend Paid (Including Dividend Tax)	(235.50)	(110.32)
Interest Paid On Loans	(406.85)	(324.98)
Net Cash from Financing Activities	184.61	(310.96)
Net Increase / (Decrease) in cash and cash equivalents (I + II + III)	283.99	(157.75)
Cash and Cash Equivalents at the beginning of the year/period	308.02	465.77
Cash and Cash Equivalents at the end of the year/period	592.01	308.02
Cash flow from activities during the year/period	283.99	(157.75)

In terms of our Report of even date attached

For and on behalf of the Board

For R.S.Agarwala & Co.
Chartered Accountants
Firm's Regn No. : 304045E

Sanjeev Jain
Director Finance
DIN:05325926

KL Chugh
Chairman
DIN: 00140124

Mahendra Agarwal
Founder & CEO
DIN: 00179779

R. S. Agarwala
Partner
Membership No. 005534

VSN Raju
Company Secretary
M.No.A11701

N. Srinivasan
Director
DIN: 00004195

Camp: Hyderabad
Date: April 28, 2015

Notes:

Notes:

Notes:



To many more years of success

Content Inputs & Publishing

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Cover Design

JWT Mindset





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