June 6, 2018

To,
Mr. Kautuk Upadhyay
Chief Manager
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051
Tel: 022 - 2659 8235 / 36 / 452
Fax: 022 - 2659 8237/ 38
Email: cmlist@nse.co.in

Scrip Code: GATI

Dear Sir,

Sub: Non-compliance as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Ref: Your letter ref no. NSE/LIST/FR/6654 vide your email dated May 30, 2018

We wish to inform you that we have submitted our audited financial results (Standalone & Consolidated) for the period ended March 31, 2018, along with the audit reports and necessary attachments on May 29, 2018 i.e., after the conclusion of the Board Meeting.

Further, as per your letter, we have received a deficiency regarding the non-submission of Modified / Un-Modified Opinion (Consolidated). In this regard, we wish to inform you that the same was not submitted along with the results, as the attachment got missed due to oversight. Accordingly, we hereby submit the Statement of impact of the Audit qualifications for the consolidated financial results for the period ended March 31, 2018.

We request you to kindly take the same on your records and acknowledge.

Thanking You

Yours faithfully,
For GATI LIMITED

Authorised Signatory

Statement of Impact of Audit Qualification submitted along-with Annual Audited Financial Results

Gati Limited – Consolidated Audited financial results
Statement on Impact of Audit Qualifications for the Financial Year ended 31 March 2018

(₹ in lakhs, except for details of EPS)

	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications) [to be read with II(a) and II(e)(ii) below]
I	1.	Total revenue	1,81,360	1,81,360
	2.	Total expenses	1,73,560	1,73,560
	3.	Net Profit	2,923	2,923
	4.	Earnings per share (in absolute ₹)	3.33	3.33
	5.	Total assets	1,45,639	1,45,639
	6.	Total liabilities	61,389	61,389
	7.	Net worth	84,250	84,250
	8.	Any other financial item(s) (as felt appropriate by the management)		
II	Audit Qualification (each audit qualification separately):			
	a.	Details of Audit Qualification:		
		(i) *In one of the subsidiary, Gati Kausar India Limited, the company's obligation towards commitments fees of Rs. 837.7 lakhs arising pursuant to the terms of the amended bond subscription Agreement, is provided in the books of account based on Management's assessment of its obligation under the said arrangement. However, in the absence of sufficient appropriate audit evidence in support of the management assessment and pending final outcome of the negotiation with the investors, their auditor are unable to comment upon the adequacy of the provision and its consequential impact on the financial statement.*		
		(ii) *The Company and one of the subsidiary, Gati Kintetsu Express (P) Ltd, has given operational advances to few parties aggregating Rs. 27.47.35 lakhs which is long overdue and the full recoverability of which is doubtful. No impairment allowance for potential collectability has been recognized against above advances. Based on the information received from the management of the Company regarding the assumptions used in assessing the recoverability of this amount, we were unable to determine the impact on the financial statements, of a potential adjustment for impairment that might have been necessary in order to present the balance at its estimated recoverable value.*		
	b.	Type of Audit Qualification : Modified Opinion		
	c.	Frequency of qualification: appeared for the first time in the current year ended 31 March 2018		

	d.	**For Audit Qualification where the impact is quantified by the auditor, Management's Views:** Not applicable
	e.	**For Audit Qualification where the impact is not quantified by the auditor:**
		(i) Management's estimation on the impact of audit qualification: Not applicable
		(ii) If management is unable to estimate the impact, reasons for the same: During the year ended 31 March 2018, management of Gati Kausar India Limited has revised its business strategy to adopt an "asset light" model in place of "asset heavy" model in view of the present business scenario and keeping in view the cost benefit analysis. Accordingly, Gati Kausar has not drawdown the committed loan aggregating to ₹6,100 lakhs from the investors. On the basis of a careful analysis of the terms of the amended Bond Subscription Agreement and the prevalent industry practice in this regard, the management of Gati Kausar has considered a provision of ₹30.50 lakhs to be adequate to meet its obligation and is confident that no further financial obligations would dwell on the Company. (iii) Overdue advances aggregating of Rs 2747.35 lakhs (Gati ltd-Rs. 2015.35 lakhs and its subsidiary Gati Kintetsu Express Private Ltd Rs.732 Lakhs) to two companies are under legal process of recovery and taking into consideration of financial potential of the major borrower and negotiations under way in respect of the other borrower. The management of both companies are hopeful of recovering the outstanding amount over a period of time and in its opinion provision is not presently required.
		(iii) Auditors' Comments on (i) or (ii) above: As stated in II(a) above
III	**Signatories:**	
	• N Srinivasan Audit Committee Chairman DIN: 00004195	
	• Mahendra Agarwal Founder & CEO DIN: 00179779	
	• Manoj Gupta Chief Financial officer	
	• Statutory Auditor For Singhi & Co. Chartered Accountants ICAI Firm Registration No: 302049E Anurag Singhi Partner Membership no: 066274	SINGHI & CO. Chartered Accountants
	Place: New Delhi	
	Date: 29th May 2018	