GATI LIMITED

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AUDITED FINANCIAL RESULTS FOR YEAR ENDED 30th JUNE, 2012

(in Lakhs)

Particulars	Standalone					Consolidated	
	Quarter Ended(Unaudited)			Year Ended		Year Ended	
	30.06.2012	31.03.2012	30.06.2011	30.06.2012	30.06.2011	30.06.2012	30.06.2011
Income from Operations	1,575	21,106	22,330	69,365	90,012	99,556	98,095
Net Sales	-	-	-	-	-	18,462	22,203
Other Operating Income	14	139	122	380	465	-	-
Total Income	**1,589**	**21,245**	**22,452**	**69,745**	**90,477**	**118,018**	**120,298**
Expenditure:							
- Cost of Sales				-	-	17,968	21,599
- Operating Expenses	1,614	14,261	14,836	47,751	61,105	71,028	68,074
- Employee Benefit Expenses	249	2,604	2,965	8,063	10,562	11,359	11,297
- Depreciation/ amortisation	61	559	580	2,720	2,161	3,696	2,543
- Other Expenses	350	2,475	2,329	7,339	9,482	10,537	10,081
Total	**2,273**	**19,900**	**20,711**	**65,872**	**83,311**	**114,588**	**113,595**
Profit/loss from Operations before Other Income, finance cost and exceptional items	**(684)**	**1,345**	**1,742**	**3,873**	**7,166**	**3,430**	**6,704**
Other Income	9,316	606	21	10,381	332	10,890	834
Profit before finance cost and exceptional item	**8,632**	**1,952**	**1,762**	**14,254**	**7,499**	**14,319**	**7,537**
Finance Cost	284	1,631	1,255	4,709	5,203	6,192	5,164
Profit / loss after finance costs but before exceptional item	**8,348**	**321**	**508**	**9,545**	**2,295**	**8,127**	**2,373**
Exceptional Item	34	-	-	34	-	1,453	-
Profit before tax	**8,382**	**321**	**508**	**9,579**	**2,295**	**6,675**	**2,373**
Tax Expense	2,000	413	187	2,379	865	2,524	963
Net Profit after tax	**6,382**	**(92)**	**320**	**7,200**	**1,430**	**4,151**	**1,410**
Share of profit of associates							
Minority Interest							
Net profit for the period/year	**6,382**	**(92)**	**320**	**7,200**	**1,430**	**4,151**	**1,410**
Paid up Equity Share Capital (Face Value of the Share Rs.2/- each)	1,732	1,732	1,720	1,732	1,720	1,732	1,720
Reserves excluding Revaluation reserve as per balance sheet of previous accounting year	33,093	28,847	27,116	33,093	27,116	39,821	25,673
Earnings Per Share (EPS) a) Basic	6.33	0.93	0.46	8.33	1.68	4.80	1.22
b) Diluted	4.71	0.69	0.38	6.17	1.38	3.56	1.01
PARTICULARS OF SHAREHOLDING							
Public Shareholding - No. of shares	48,161,762	48,161,762	43,395,982	48,161,762	43,395,982	48,161,762	43,395,982
- Percentage of shareholding	55.63	55.63	50.46	55.63	50.46	55.63	50.46
Promoter & Promoter Group shareholding							
a) Pledged / Encumbered							
- No. of shares	35,436,307	35,436,307	38,049,700	35,436,307	38,049,700	35,436,307	38,049,700
- Percentage of shares (as a % of the total shareholding of Promoter & Promoter group)	92.23	92.23	89.30	92.23	89.30	92.23	89.30
- Percentage of shares (as a % of the total share capital of the company)	40.93	40.93	44.24	40.93	44.24	40.93	44.24
b) Non-encumbered							
- No. of shares	2,984,218	2,984,218	4,559,218	2,984,218	4,559,218	2,984,218	4,559,218
- Percentage of shares (as a % of the total shareholding of Promoter & Promoter group)	7.77	7.77	10.70	7.77	10.70	7.77	10.70
- Percentage of shares (as a % of the total share capital of the company)	3.45	3.45	5.30	3.45	5.30	3.45	5.30
INVESTOR COMPLAINTS							
- Pending at the beginning of the quarter	Nil						
- Received during the quarter	4						
- Disposed of during the quarter	4						
- Remaining unresolved at the end of the quarter	Nil						

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(in Lakhs)

Particulars	Standalone Quarter Ended			Standalone Year Ended		Consolidated Year Ended	
	30.06.2012	31.03.2012	30.06.2011	30.06.2012	30.06.2011	30.06.2012	30.06.2011
1. Segment Revenue (Net Sale / Income from each Segment)							
a) Express Distribution & Supply Chain	1,589	21,237	21,185	68,125	81,348	99,303	90,456
b) Coast to Coast (Shipping)	-	8	1,298	1,626	9,197	2,094	9,197
c) Fuel Sales	-	-	-	-	-	14,781	13,017
d) Other Sales	-	-	-	-	-	3,820	9,290
Less: Inter Segment Revenue	-	-	30	7	68	1,980	1,662
Net Sales / Income from Operations	**1,589**	**21,245**	**22,452**	**69,745**	**90,477**	**118,018**	**120,298**
2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)							
a) Express Distribution & Supply Chain	9,042	3,438	3,057	30,178	10,165	18,354	9,576
b) Coast to Coast (Shipping)	-	(885)	(273)	(12,630)	(36)	(2,511)	8
c) Fuel Sales	-	-	-	-	-	229	150
d) Other Sales	-	-	-	-	-	55	100
Total	**9,042**	**2,554**	**2,784**	**17,548**	**10,128**	**16,127**	**9,833**
Less: i) Interest	(284)	(1,631)	(1,614)	(4,709)	(5,203)	(6,192)	(4,976)
ii) Other unallocable expenditure net off	(376)	(602)	(662)	(3,260)	(2,630)	(3,260)	(2,484)
Total Profit before tax	**8,382**	**321**	**508**	**9,579**	**2,295**	**6,675**	**2,373**
3. Capital Employed (Segment Assets - Segment Liabilities)							
a) Express Distribution & Supply Chain	19,250	17,315	11,507	19,250	11,507	53,828	2,677
b) Coast to Coast (Shipping)	(929)	(929)	21,726	(929)	21,726	(21,966)	21,726
c) Fuel Stations	-	-	-	-	-	14,974	9,619
c) Unallocated/ Corporate	15,224	14,571	955	(2,776)	955	15,224	9,786
Total	**33,545**	**30,957**	**34,189**	**15,545**	**34,189**	**47,968**	**34,919**

Notes:

1) Pursuant to shareholders approval in February, 2012 through postal ballot, the following restructuring have taken place.

a) The Company transferred substantial part of its Express Distribution and Supply Chain business (EDSC) to Gati-Kintetsu Express Pvt. Ltd., a subsidiary company as a going concern on 31.03.2012. The Joint Venture Partner (KWE) acquired 30% equity interest in the subsidiary Company after obtaining necessary regulatory approvals.

b) The Company is continuing to carry on the EDSC business through its aforesaid subsidiaries besides operating International and E-Commerce Business and closely monitoring the performance of all the subsidiaries.

c) The Company transferred its Shipping division business (Coast to Coast) to its wholly owned subsidiary Gati Ship Pvt. Ltd., with effect from 31.03.2012.

2 Exceptional item comprises of net surplus on transfer of EDSC and shipping business, less related expenses and provision for contingencies.

3 Other Income includes Rs. 89 crore profit from sale of part share in a subsidiary. refer note 1a.

4 a) The Board of Directors declared on 29.06.2012 a special interim dividend of Rs.0.60 per share (30%) for the financial year 2011-12, which has been paid to all eligible shareholders as on the record date i.e. 11.07.2012.

b) The Board of directors at its meeting held on 9th August, 2012, has recommended a final dividend of Rs.0.50 per share (25%) making a total dividend of Rs. 1.10 per share (55%) for the financial year ended June 30, 2012.

5. The consolidated financial results include those of the 18 subsidiaries including 6 overseas subsidiaries.

6. 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 June 30, 2012, Rs.11.43 crore has been carried forward in the "Foreign Exchange Monetary Translation Difference Account", the charge for depreciation is more by Rs.0.49 crore and the net profit is lower by Rs. 0.49 crore for the quarter.

7. The remuneration to the Managing Director and erstwhile Whole-time Director is in excess of the limits under the Companies Act, 1956 by Rs.222.24 lakhs which requires approval of the Shareholders and the Central Government.

8. The Company had initiated in the earlier year Arbitration Proceeding with the National Aviation Company of India Limited ("NACIL") in respect of certain disputes that had arisen between the Company and NACIL arising out of the Wet Lease Agreement, the Company had entered into with NACIL in the year 2007 wherein NACIL had invoked the Bank guarantee of Rs. 30 crores. The Company had objected to the wrongful invocation of the Bank guarantee and raised claims on NACIL in respect of the continuous breaches committed by it during the tenure of the Wet Lease Agreement. NACIL had in turn raised certain counter claims on the Company in the proceedings. The disputes are pending before the Arbitral Tribunal. No orders have been passed against the Company nor have any claims been adjudicated in the matter as on date. In the opinion of the Company's Attorneys endorsed by another eminent jurist, no provision is considered necessary at this stage. The statutory auditors in their report have stated their inability to express an opinion in the matter.

9. Statement of summary of assets and liabilities as at 30-6-2012

(in Lakhs)

Particulars	Standalone		Consolidated	
	Audited		Audited	
	30.06.2012	30.06.2011	30.06.2012	30.06.2011
EQUITY AND LIABILITIES				
(a) Share Capital	1,732	1,720	1,732	1,720
(b) Reserves & Surplus	33,689	27,805	40,383	26,362
(c) Money received against share warrants	-	1,641	-	1,641
Shareholders' Funds :	**35,421**	**31,166**	**42,114**	**29,723**
2. Share application money pending allotment				
3 Minority Interest			5,367	0
4 Non-Current Liabilities				
(a) Long-term borrowings	14,618	18,713	26,408	17,758
(b) Deferred tax liabilities(Net)	890	924	1,010	1,036
(c) Other long-term liabities	65	117	65	696
(d) Long-term provisions	397	-	397	-
Non - Current Liabilities :	**15,970**	**19,754**	**27,879**	**19,490**
5 Current Liabilities				
(a) Short-term borrowings	1,000	13,025	13,745	13,083
(b) Trade Payables	203	3,155	6,701	7,142
(c) Other current liabilities	1,890	21,130	8,660	22,578
(d) Short-term provisions	5,330	5,343	5,930	5,509
Current Liabilities :	**8,422**	**42,653**	**35,036**	**48,311**
	-	-		
TOTAL EQUITY AND LIABILITIES	**59,813**	**93,573**	**110,397**	**97,524**
ASSETS				
1 Non-current assets				
(a) Fixed Assets	8,661	39,545	43,468	42,485
(b) Goodwill on consideration	-	-	1,012	2,169
(c) Non-current investments	25,799	7,737	2,021	2,021
(d) Deferred tax assets(Net)	-	-	-	
(e) Long-term loans and advances	3,024	7,683	10,739	8,770
(f) Other non-current assets	946	160	947	160
Non-current assets :	**38,430**	**55,126**	**58,186**	**55,605**
2 Current assets				
(a) Current Investments			-	-
(b) Inventories	-	1,008	1,079	1,211
(c) Trade receivables	2,573	16,195	18,901	19,030
(d) Cash and cash equivalents	5,198	2,148	14,008	3,188
(e) Short-term loans and advances	13,612	19,098	18,094	18,463
(f) Other current assets	-	-	129	28
Current assets :	21,383	38,448	52,211	41,919
TOTAL ASSETS	**59,813**	**93,573**	**110,397**	**97,524**

10. 19,48,141 options under Employee Stock Options Scheme were outstanding as on June 30, 2012.

11. Tax expense for the current period represents Income Tax and Deferred Tax.

12. Previous year / periods figures have been regrouped wherever necessary to conform to the Schedule VI (as amended) of the Companies Act. The figures for the last quarter ended June 30, 2012 are the balancing figures between the audited figures in respect of full financial year and the un-audited figures upto the period March 31, 2012.

13. The above audited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 9th August, 2012.

Place: Secunderabad
Date: 9th August, 2012

For **GATI LIMITED**

Mahendra Agarwal
Founder & CEO