GATI LIMITED

Regd. & Head Office: 1-7-293, M G Road, Secunderabad 500 003.

website: www.gati.com e-mail: investor.services@gati.com

CONSOLIDATED FINANCIAL RESULTS FOR QUARTER/YEAR ENDED 30TH JUNE, 2013

Rs. In Lakhs

Particulars	Consolidated				
	Quarter Ended (Unaudited)			Year Ended (Audited)	
	30.06.2013 See Note no. 9	31.03.2013	30.06.2012	30.06.2013	30.06.2012
Income from Operations	27,238	26,526	24,932	108,114	99,176
Sale of Products	4,818	4,596	3,835	17,556	18,462
Other Operating Income	167	537	14	1,673	1,258
Total Income	**32,223**	**31,659**	**28,781**	**127,343**	118,896
Expenditure:					
- Cost ot Sales	4,710	4,477	3,651	17,140	17,968
- Operating Expenses	20,002	19,402	18,746	78,588	71,186
- Employee Benefit Expenses	3,338	3,089	2,736	12,364	11,359
- Depreciation/Amortisation	673	638	606	2,475	3,696
- Other Expenses	2,293	2,702	3,514	10,852	10,380
Total	**31,016**	**30,308**	**29,253**	**121,419**	114,589
Profit/loss from Operations before Other Income, finance cost and exceptional items	**1,207**	**1,351**	**(472)**	**5,924**	**4,307**
Other Income	654	267	9,687	1,609	10,011
Profit before finance cost and exceptional item	1,861	1,618	9,215	7,533	14,318
Finance Cost	1,048	1,055	1,666	4,367	6,192
Profit / loss after finance costs but before exceptional item	**813**	**563**	**7,549**	**3,166**	**8,126**
Exceptional Item	-	-	(1,453)	-	(1,453)
Profit after exceptional but before extraordinary items	**813**	**563**	**6,096**	**3,166**	**6,673**
Extraordinary Items	(113)		-	(842)	-
Profit Before Tax	700	563	6,096	2,324	6,673
Tax Expense	(21)	(192)	2,145	597	2,524
Net Profit after tax	**721**	**755**	**3,951**	**1,727**	**4,149**
Share of profit of Associates					
Minority Interest	(51)	(188)	(5)	(764)	(5)
Net profit for the period/year	**670**	**567**	**3,946**	**963**	**4,144**
Paid up Equity Share Capital (Face Value of the Share Rs.2/- each)	1,732	1,732	1,732	1,732	1,732
Reserves excluding Revaluation reserve as per balance sheet of previous accounting year	-	-	-	38,906	25,673
Earnings Per Share (EPS) a) Basic	0.77	0.66	6.20	1.11	4.80
b) Diluted	0.58	0.49	4.60	0.82	3.56
PARTICULARS OF SHAREHOLDING					
Public Shareholding - No. of shares	48,603,857	48,161,762	48,161,762	48,603,857	48,161,762
- Percentage of shareholding	56.14	55.63	55.63	56.14	55.63
Promoter & Promoter Group shareholding					
a) Pledged / Encumbered					
- No. of shares	36,771,307	36,436,307	35,436,307	36,771,307	35,436,307
- Percentage of shares (as a % of the total shareholding of Promoter & Promoter group)	96.82	94.84	92.23	96.82	92.23
- Percentage of shares (as a % of the total share capital of the company)	42.47	42.08	40.93	42.47	40.93
b) Non-encumbered					
- No. of shares	1,207,123	1,984,218	2,984,218	1,207,123	2,984,218
- Percentage of shares (as a % of the total shareholding of Promoter & Promoter group)	3.18	5.16	7.77	3.18	7.77
- Percentage of shares (as a % of the total share capital of the company)	1.39	2.29	3.45	1.39	3.45
INVESTOR COMPLAINTS					
- Pending at the beginning of the quarter	Nil				
- Received during the quarter	5				
- Disposed of during the quarter	5				
- Remaining unresolved at the end of the quarter	Nil				

Statement of Assets and Liabilities

(Rs. In Lakhs)

Particulars	Consolidated	
	Audited	
	30.06.2013	30.06.2012
EQUITY AND LIABILITIES		
1. (a) Share Capital	1,732	1,732
(b) Reserves & Surplus (Including balance of Special Reserve Account from the Scheme of Arrangement Rs. 50,582.67 Lakhs)	76,969	39,502
(c) Money received against share warrants		
Shareholders' Funds :	**78,701**	**41,234**
2. Share Application money pending allottment		
3. Minority Interest	**11,542**	**5,366**
4. Non-Current Liabities		
(a) Long-term borrowings	23,780	26,407
(b) Deferred tax liabilities(Net)	1,067	1,010
(c) Other long-term liabities	40	65
(d) Long-term provisions	1,220	397
Non - Current Liabilities :	**26,107**	**27,879**
5. Current Liabilities		
(a) Short-term borrowings	13,814	13,745
(b) Trade Payables	6,629	6,701
(c) Other current liabities	14,525	8,685
(d) Short-term provisions	5,856	6,714
Current Liabilities :	**40,824**	**35,845**
TOTAL EQUITY AND LIABILITIES	**157,174**	**110,324**
ASSETS		
1 Non-current assets		
(a) Fixed Assets	41,640	40,184
(b) Goodwill on Consolidation	44,688	1,012
(b) Non-current Investments	2,021	2,021
(c) Long-term loans and Advances	14,414	14,023
(d) Other non-current Assets	51	65
Non-current Assets :	**102,814**	**57,305**
2 Current Assets		
(a) Current Investments	-	-
(b) Inventories	1,184	1,079
(b) Trade Receivables	22,028	18,925
(c) Cash and Cash equivalents	4,658	14,008
(d) Short-term loans and Advances	26,302	18,878
(f) Other current Assets	188	129
Current Assets :	**54,360**	**53,019**
TOTAL ASSETS	**157,174**	**110,324**

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. In Lacs)

Particulars	Quarter Ended (Unaudited)			Year Ended (Audited)	
1. Segment Revenue (Net Sale / Income from each Segment)	**30.06.2013**	**31.03.2013**	**30.06.2012**	**30.06.2013**	**30.06.2012**
a) Express Distribution & Supply Chain	26,953	26,432	24,654	107,406	98,295
b) Shipping	398	673	297	2,405	2,094
c) Fuel Sales	4,633	4,281	3,509	16,708	14,781
d) Other Sales	245	315	324	907	3,820
Total	**32,229**	**31,701**	**28,785**	**127,426**	118,990
Less: Inter Segment Revenue	(6)	(42)	(4)	(83)	(94)
Net Sales / Income from Operations	**32,223**	**31,659**	**28,781**	**127,343**	118,896
2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)					
a) Express Distribution & Supply Chain	2,025	2,133	10,284	10,310	19,806
b) Shipping	(306)	(290)	(865)	(1,513)	(2,511)
c) Fuel Sales	78	21	71	217	229
d) Other Sales	65	(54)	101	35	54
Total	**1,862**	**1,810**	**9,591**	**9,049**	17,578
Less: i) Interest	1,049	1,055	1,666	4,367	6,192
ii) Other unallocable expenditure/Income net off	(1)	192	376	1,516	3,260
Total Profit before tax,Exceptional Items and Extraordinary Items	**814**	**563**	**7,549**	**3,166**	8,126
3. Capital Employed					
a) Express Distribution & Supply Chain	67,956	20,626	18,902	67,956	18,902
b) Shipping	19,310	19,796	16,957	19,310	16,957
c) Fuel Stations	584	736	881	584	881
e) Unallocated/ Corporate	(9,745)	(6,961)	3,898	(9,745)	3,898
Capital Employed	**78,105**	**34,197**	**40,638**	**78,104**	40,638

Notes:

1. The company and its 12 subsidiaries including 5 overseas step down subsidiaries are engaged in the business of Express Distribution, Supply Chain Services, Integrated Freight Forwarding, Warehousing, Fuel stations and Shipping.

2. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on July 31, 2013.

3. The Board of Directors has recommended a dividend of 30% for the year ended 30th June, 2013

4. The Hon'ble High Court of Andhra Pradesh has on 19th March, 2013 sanctioned the Scheme of Arrangement under Section 391 to 394 of the Companies Act 1956, (the Scheme) in terms of which the following wholly owned subsidiaries namely 1. Gati Express Distribution Limited, 2. Trymbak Commercial and Trading Private Limited, 3. Newatia Commercial and Trading Private Limited, 4. Ocimum Commercial and Trading Private Limited and 5. Sumeru Commercial and Trading Private Limited stood amalgamated with the company with effect from the appointed dated i.e., 31st March, 2013. The company has accounted for the amalgamation as per Purchase Method in terms of Accounting Standard 14 - Amalgamation and the surplus on Amalgamation of Rs.555.54 crores has been credited to a Special Reserve Account as per the Scheme.

   During the year a strategic partner acquired 40% interest in the subsidiary namely Gati Ship Limited. This resulted in a loss of Rs.64 crores, which has been adjusted against the above Special Reserve Account in the Balance Sheet as per the above Scheme and not in the statement of profit and loss in terms of Accounting Standard 13 – "Accounting for Investments". The Statutory auditor have drawn attention to this as an emphasis of matter.

5. In the year 2009, the Company discontinued Freighter Aircraft operations as per the arrangement with National Aviation Company of India Ltd (NACIL)(the erstwhile Indian Airlines Ltd.,) and now Air India (AI), due to continuous failure and defaults by NACIL. The matter was referred to arbitration of the Arbitral Tribunal appointed by the parties. The Company had filed its statement of Claim before the Arbitral Tribunal for the losses suffered against which NACIL has made counter claims. The hearing of the Arbitration has been concluded and the Award of the Arbitral Tribunal is awaited. Pending decision of the Arbitral Tribunal, a sum of Rs. 2659 lakhs is included in loans and advances being the difference between the amount of Bank Guarantee invoked by NACIL and claims acknowledged by the Company. In the Company's view there are fair chances of recovery of Rs. 2659 lakhs. As per the legal advise received by the Company, which has also been endorsed by another eminent jurist, no liability is contemplated to arise in the matter and no provision is considered necessary in the accounts in this regard. The auditors in their report have stated as in earlier years their inability to express an opinion in the matter.

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, 2013, the loss on exchange variance of Rs 1177.91 lakhs during the quarter has been transferred to the "Foreign Exchange Monetary Translation Difference Account" (FCMITDA). The amortization for the quarter on this account

is Rs.64.55 lakhs. The balance of Rs. 1517.08 lakhs in the FCMITDA has been carried forward

7. Tax expense is net of Income Tax, Deferred Tax and reversal of excess provision in the previous year.

8. The standalone financial results of the company for the quarter/year ended 30th June, 2013 are as follows:

Rs in Lakhs

Particulars	Quarter ended			Year ended
	30.06.2013	31.03.2013	30.06.2012	30.06.2013
Turnover	7441	2776	1702	16113
Profit before tax	610	318	8382	1618
Net Profit after tax	1024	822	6382	2536

9. The figures of the last Quarter are the balancing figures with reference to the three quarters and the yearend figures.

10. 18,02,716 options under Employee Stock Options Scheme were outstanding as on June 30, 2013.

11. The standalone financial results of the Company are available at www.gati.com, www.nseindia.com and www.bseindia.com

For **GATI LIMITED**

Mahendra Agarwal
Founder & CEO

Place: Secunderabad
Date: July 31, 2013