GATI LIMITED

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FINANCIAL RESULTS FOR QUARTER/YEAR ENDED 30th JUNE, 2013

Rs. In Lakhs

Particulars	Quarter Ended(Unaudited)			12 Months Ended	
	30.06.2013 (See Note 10)	31.03.2013	30.06.2012	30.06.2013	30.06.2012
Income from Operations	2,105	2,336	1,575	9,386	69,365
Sale of Product	4,615	-	-	4,615	-
Other Operating Income	721	440	127	2,112	1,230
Total Income	**7,441**	**2,776**	**1,702**	**16,113**	70,595
Expenditure:					
- Cost ot Sales	4,522	-	-	4,522	-
- Operating Expenses	1,609	1,866	1,614	7,819	47,908
- Employee Benefit Expenses	398	297	295	1,273	8,270
- Depreciation/ amortisation	84	50	61	209	2,720
- Other Expenses	209	283	303	886	6,974
Total	**6,823**	**2,496**	**2,273**	**14,709**	**65,872**
Profit/loss from Operations before Other Income, finance cost and exceptional items	**618**	**280**	**(571)**	**1,404**	4,723
Other Income	182	180	9,203	812	9,531
Profit before finance cost and exceptional item	801	460	8,632	2,216	14,254
Finance Cost	191	142	284	598	4,709
Profit / loss after finance costs but before exceptional item	**610**	**318**	**8,348**	**1,618**	9,545
Exceptional Item	-	-	34	-	34
Profit before tax	**610**	**318**	**8,382**	**1,618**	9,579
Tax Expense	(414)	(505)	2,000	(918)	2,379
Net Profit after tax	**1,024**	**822**	**6,382**	**2,536**	7,200
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				81,823	32,212
Earnings Per Share (EPS) a) Basic	1.18	0.95	6.33	2.93	8.33
b) Diluted	0.88	0.71	4.71	2.17	6.17
PARTICULARS OF SHAREHOLDING					
Public Shareholding - No. of shares	4,86,03,857	4,81,61,762	4,81,61,762	4,86,03,857	4,81,61,762
- Percentage of shareholding	56.14	55.63	55.63	56.14	55.63
Promoter & Promoter Group shareholding					
a) Pledged / Encumbered					
- No. of shares	3,67,71,307	3,64,36,307	3,54,36,307	3,67,71,307	3,54,36,307
- 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	12,07,123	19,84,218	29,84,218	12,07,123	29,84,218
- 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				

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

Rs. In Lakhs

Particulars	Quarter Ended			Twelve Months Ended	
	30.06.2013	31.03.2013	30.06.2012	30.06.2013	30.06.2012
1. Segment Revenue (Net Sale / Income from each Segment)					
a) Express Distribution & Supply Chain	2,808	2,776	1,702	11,482	69,006
b) Coast to Coast (Shipping)					1,595
c) Fuel Sales	4,633			4,631	
Less: Inter Segment Revenue					7
Net Sales / Income from Operations	**7,441**	**2,776**	**1,702**	**16,113**	**70,595**
2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)					
a) Express Distribution & Supply Chain	723	460	8,632	2,138	30,144
b) Coast to Coast (Shipping)					(12,630)
c) Fuel Sales	78			78	
d) Other Sales					
Total	**801**	**460**	**8,632**	**2,216**	**17,514**
Less: i) Interest	191	142	284	598	4,709
ii) Other unallocable expenditure net off					3,260
Total Profit before tax and Exceptional Item	**610**	**318**	**8,348**	**1,618**	**9,545**
3. Capital Employed (Segment Assets - Segment Liabilities)					
a) Express Distribution & Supply Chain	95,117	93,290	34,613	95,117	34,613
b) Coast to Coast (Shipping)					
c) Fuel Stations	584	486	-	584	
c) Unallocated/ Corporate	(12,147)	(10,623)	(669)	(12,147)	(669)
Total	**83,554**	**83,153**	**33,944**	**83,554**	**33,944**

Notes:

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

2. The company is mainly engaged in the business of overseeing the operation of its subsidiaries, running of Fuel stations besides E-commerce and Integrated Freight forwarding.

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 cores has been credited to a Special Reserve Account as per the Scheme.

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

6. 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.

7. 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.

8. 18, 02,716 options under Employee Stock Options Scheme were outstanding as on June 30, 2013

9. Statement of summary of assets and liabilities as on 30-06-2013.

Statement of Assets and Liabilities

(Rs. In Lakhs)

	Audited	
	30.06.2013	**30.06.2012**
EQUITY AND LIABILITIES		
(a) Share Capital	1,732	1,732
(b) Reserves & Surplus(Including balance in Special Reserve Account of Rs.49154.29 Lakhs arising from the scheme of arrangement)	82,418	32,808
(c) Money received against share warrants		
Shareholders' Funds :	**84,150**	**34,540**
2 Non-Current Liabities		
(a) Long-term borrowings	16,006	14,618
(b) Deferred tax liabilities(Net)	886	890
(c) Other long-term liabities	40	65
(d) Long-term provisions	1,219	397
Non - Current Liabilities :	**18,151**	**15,970**
3. Current Liabilities		
(a) Short-term borrowings	804	1,000
(b) Trade Payables	1,040	203
(c) Other current liabities	4,644	1,914
(d) Short-term provisions	3,751	6,114
Current Liabilities :	**10,240**	**9,231**
TOTAL EQUITY AND LIABILITIES	**1,12,541**	**59,741**
ASSETS		
1 Non-current assets		
(a) Fixed Assets	9,774	8,661
(b) Non-current investments	74,463	25,799
(c) Long-term loans and advances	3,385	3,024
(d) Other non-current assets	49	65
Non-current assets :	**87,671**	**37,549**
2 Current assets		
(a) Inventories	121	-
(b) Trade receivables	2,811	2,597
(c) Cash and cash equivalents	1,317	5,198
(d) Short-term loans and advances	20,620	14,396
Current assets :	**24,869**	**22,192**
TOTAL ASSETS	**1,12,541**	**59,741**

10. The figures of the current quarter/year are not comparable with those of the corresponding previous period/year due to the implementation of Scheme of Arrangement with effect from 31st March, 2013. The figures of the last quarter of the year are balancing figures with reference to the three quarters and the year end figures.

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

For **GATI LIMITED**

Mahendra Agarwal
Founder & CEO

Place: Secunderabad
Date: 31st July, 2013