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 UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th SEPT., 2012

(Rs. in Lacs)

Particulars	Quarter ended (Unaudited)			Year ended (Audited)
	30.09.2012	30.06.2012	30.09.2011	30.06.2012
Income from Operations	25,753	24,932	26,046	99,248
Net Sales	4,050	3,835	5,968	18,462
Other Operating Income	26	14	106	308
Total Income	**29,829**	**28,781**	**32,120**	**118,018**
Expenditure:				
- Cost ot Sales	3,957	3,651	5,787	17,968
- Operating Expenses	18,501	18,746	18,304	71,028
- Employee Benefit Expenses	2,736	2,736	2,730	11,359
- Depreciation/ amortisation	567	606	965	3,696
- Other Expenses	2,930	3,514	2,644	10,538
Total	**28,691**	**29,253**	**30,430**	**114,589**
Profit/(Loss) from Operations before Other Income, Finance cost and Exceptional item	**1,138**	**(472)**	**1,690**	**3,429**
Other Income	368	9,687	389	10,890
Profit from Ordinary activities before Finance cost and Exceptional item	1,506	9,215	2,079	14,319
Finance Cost	1,135	1,666	1,301	6,192
Profit after Finance costs but before Exceptional item	**371**	**7,549**	**778**	**8,127**
Exceptional Item	(482)	(1,453)	-	(1,453)
Profit/(Loss) before Tax	**(111)**	**6,096**	**778**	**6,674**
Tax Expense	416	2,145	328	2,524
Profit/(Loss) after Tax before Minority Interest	**(527)**	**3,951**	**450**	**4,150**
Minority Interest	(252)	(5)	-	(5)
Profit/(Loss) for the period/year	**(779)**	**3,946**	**450**	**4,146**
Paid up Equity Share Capital (Face Value of the Share Rs.2/- each)	1,731.65	1,731.65	1,720.00	1,731.65
Reserves excluding Revaluation reserve as per balance sheet of previous accounting year	39973.42	39786.85	26907.86	39786.85
Earnings Per Share (EPS) a) Basic	-0.61	6.20	0.52	4.80
b) Diluted	-0.45	4.60	0.47	3.56
PARTICULARS OF SHAREHOLDING				
Public Shareholding - No. of shares	48161762	48161762	43,395,982	48,161,762
- Percentage of shareholding	55.63	55.63	50.46	55.63
Promoter & Promoter Group shareholding				
a) Pledged / Encumbered				
- No. of shares	35436307	35436307	38,274,700	35,436,307
- Percentage of shares (as a % of the total shareholding of Promoter & Promoter group)	92.23	92.23	89.83	92.23
- Percentage of shares (as a % of the total share capital of the company)	40.93	40.93	44.50	40.93
b) Non-encumbered				
- No. of shares	2984218	2984218	4,334,218	2,984,218
- Percentage of shares (as a % of the total shareholding of Promoter & Promoter group)	7.77	7.77	10.17	7.77
- Percentage of shares (as a % of the total share capital of the company)	3.45	3.45	5.04	3.45
INVESTOR COMPLAINTS				
- Pending at the beginning of the quarter	Nil			
- Received during the quarter	2			
- Disposed of during the quarter	2			
- Remaining unresolved at the end of the quarter	Nil			

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)	30th Sept. 2012	30th June 2012	30th Sept. 2011	30th June 2012
a) Express Distribution & Supply Chain	25141	24654	25327	97556
b) Shipping	639	297	841	2094
c) Fuel Sales	3822	3509	3706	14671
d) Other Sales	232	324	2262	3791
Total	**29834**	**28784**	**32136**	**118112**
Less: Inter Segment Revenue	5	4	16	94
Net Sales / Income from Operations	**29829**	**28780**	**32120**	**118018**
2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)				
a) Express Distribution & Supply Chain	2463	10284	3363	19806
b) Shipping	(634)	(865)	(561)	(2,511)
c) Fuel Sales	62	71	52	229
d) Other Sales	9	101	40	55
Total	**1899**	**9591**	**2894**	**17579**
Less: i) Interest (net of Income)	1135	1666	1300	6192
ii) Other unallocable expenditure net off	394	376	815	3260
Total Profit before tax	**371**	**7549**	**779**	**8127**
3. Capital Employed				
Segment Assets				
a) Express Distribution & Supply Chain	76604	67765	64900	67765
b) Shipping	25783	26584	36243	26584
c) Fuel Stations	1186	1131	953	1131
d) Unallocated/ Corporate	5146	3898	4084	3898
Total Assets	**108719**	**99378**	**106180**	**99378**
Segment Liabilities				
a) Express Distribution & Supply Chain	56006	53039	58434	53039
b) Shipping	10147	9626	14265	9626
c) Fuel Stations	265	250	189	250
Total Liability	**66418**	**62915**	**72888**	**62915**
Capital Employed				
a) Express Distribution & Supply Chain	20598	14726	6466	14726
b) Shipping	15636	16958	21978	16958
c) Fuel Stations	921	881	764	881
d) Unallocated/ Corporate	5146	3898	4084	3898
Capital Employed	42301	36463	33292	36463

Notes:

1 19, 28,741 options under Employee Stock Options Scheme were outstanding as on September 30, 2012.

2 In a prior year the Company discontinued Freighter Aircraft operations as per the arrangement with National Aviation Company of India Ltd (NACIL), (the erstwhile Indian Airlines Ltd.,) due to continuous failure and defaults by NACIL. The matter stands referred for arbitration of the Arbitral Tribunal appointed by the parties. 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. The Company has filed its statement of Claim before the Arbitral Tribunal for the losses suffered against which NACIL has made counter claims. As per the legal advice received by the company 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 limited review report have stated their inability to express an opinion in the matter.

3 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 September 30, 2012, the gain on exchange variance of Rs 801.21 lacs has been transferred to the "Foreign Exchange Monetary Translation Difference Account" (FCMITDA). The amortization for the quarter on this account is Rs. 4.53 lakhs. The balance of Rs.75.35 lakhs in the FCMITDA has been carried forward. The net profit is lower by Rs. 796.68 lakhs for the quarter.

4 Exceptional Items comprise of loss on sale of an old cargo ship Rs. 606 lacs.

5 The above financial results include unaudited and unreviewed results of five foreign subsidiaries.

6 The results for the period ended 30th Sep 2011 have been regrouped to conform to the Schedule VI (as amended) of the Companies Act.

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

8 The above unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 19th October, 2012.The statutory auditors have carried out the limited review of the above financial results.

9 The standalone financial results of the Company are available for investors at www.gati.com.

Place: Secunderabad
Date: 19th October, 2012

For **GATI LIMITED**

Mahendra Agarwal
Founder & CEO

R.S. AGARWALA & CO.
Chartered Accountants

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Kolkata - 700 012
Ph.: +91 33 22370741
+91 33 22377682

LIMITED REVIEW REPORT

We have reviewed the accompanying statement of unaudited consolidated financial results of **GATI Limited** for the quarter ended on 30th September, 2012 except for the disclosures regarding "Public Shareholding" and "Promoter and Promoter Group Shareholding" which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, *Engagements to Review Financial Statements* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards referred to in Section 211(3C) of the Companies Act,1956 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement except that, we are unable to express an opinion in the matter of claim by National Aviation Company of India Ltd. referred to in note 2.

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

R.S. Agarwala
(Partner)
Membership No. F-5534

Camp: Secunderabad
Date : 19 October, 2012

GATI LIMITED

Regd. & Head Office: 1-7-293, M G Road, Secunderabad 500 003.
website: www.gati.com e-mail: investor.services@gati.com

UNAUDITED FINANCIAL RESULTS FOR QUARTER ENDED 30th SEPTEMBER, 2012

Rs. In Lakhs

Particulars	Standalone			
	Quarter Ended(Unaudited)			Year Ended (Audited)
	30.09.2012	30.06.2012	30.09.2011	30.06.2012
Income from Operations	2,417	1,575	23,492	69,365
Other Operating Income	26	14	106	380
Total Income	**2,443**	**1,589**	**23,599**	**69,745**
Expenditure:				
- Operating Expenses	2,185	1,614	15,993	47,751
- Employee Benefit Expenses	245	249	2,665	8,063
- Depreciation/ amortisation	26	61	830	2,720
- Other Expenses	143	350	2,199	7,339
Total	**2,599**	**2,273**	**21,687**	**65,872**
Profit/loss from Operations before Other Income, finance cost and exceptional items	**(156)**	**(684)**	**1,912**	**3,873**
Other Income	274	9,316	101	10,381
Profit before finance cost and exceptional item	117	8,632	2,012	14,254
Finance Cost	127	284	1,318	4,709
Profit / loss after finance costs but before exceptional item	**(9)**	**8,348**	**694**	**9,545**
Exceptional Item	124	34	-	34
Profit before tax	**115**	**8,382**	**694**	**9,579**
Tax Expense	9	2,000	311	2,379
Net Profit after tax	**106**	**6,382**	**383**	**7,200**
Paid up Equity Share Capital (Face Value of the Share Rs.2/- each)	1,732	1,732	1,720	1,732
Reserves excluding Revaluation reserve as per balance sheet of previous accounting year	33,045	33,093	28,506	33,093
Earnings Per Share (EPS) a) Basic	0.13	6.33	0.46	8.33
b) Diluted	0.10	4.71	0.38	6.17
PARTICULARS OF SHAREHOLDING				
Public Shareholding - No. of shares	48,161,762	48,161,762	43,395,982	48,161,762
- Percentage of shareholding	55.63	55.63	50.46	55.63
Promoter & Promoter Group shareholding				
a) Pledged / Encumbered				
- No. of shares	35,436,307	35,436,307	38,274,700	35,436,307
- Percentage of shares (as a % of the total shareholding of Promoter & Promoter group)	92.23	92.23	89.83	92.23
- Percentage of shares (as a % of the total share capital of the company)	40.93	40.93	44.50	40.93
b) Non-encumbered				
- No. of shares	2,984,218	2,984,218	4,334,218	2,984,218
- Percentage of shares (as a % of the total shareholding of Promoter & Promoter group)	7.77	7.77	10.17	7.77
- Percentage of shares (as a % of the total share capital of the company)	3.45	3.45	5.04	3.45
INVESTOR COMPLAINTS				
- Pending at the beginning of the quarter	Nil			
- Received during the quarter	2			
- Disposed of during the quarter	2			
- Remaining unresolved at the end of the quarter	Nil			

Notes:

1. 19, 28,741 options under Employee Stock Options Scheme were outstanding as on September 30, 2012.

2 In a prior year the Company discontinued Freighter Aircraft operations as per the arrangement with National Aviation Company of India Ltd (NACIL), (the erstwhile Indian Airlines Ltd.,) due to continuous failure and defaults by NACIL. The matter stands referred for arbitration of the Arbitral Tribunal appointed by the parties. 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. The Company has filed its statement of Claim before the Arbitral Tribunal for the losses suffered against which NACIL has made counter claims. As per the legal advice received by the company 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 limited review report have stated that their inability to express an opinion in the matter.

3 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 September 30, 2012, the gain on exchange variance of Rs 801.21 lacs has been transferred to the "Foreign Exchange Monetary Translation Difference Account" (FCMITDA). The amortization for the quarter on this account is Rs. 4.53 lakhs. The balance of Rs.75.35 lakhs in the FCMITDA has been carried forward therefore the net profit is lower by Rs. 796.68 lakhs for the quarter.

4 Exceptional Item comprises of the profit on sale of land Rs.124 Lakhs.

5 Pursuant to shareholders approval in February, 2012 through postal ballot, the following restructuring has 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.

b) 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.

Accordingly the financial results of the transferred business undertakings do not form part of the financials results of the company for the period ended 30th September, 2012 and hence the same are not comparable with financial results for the year ended 30th June 2012 and quarter ended 30th September 2011

6 The Company is engaged in the Distribution business (other than those transferred – Note 4) is considered as the only reportable segment.

7 Tax expense for the current period represents Deferred Tax

8 The above unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 19th October, 2012.The statutory auditors have carried out a limited review of the above financial results.

Place: Secunderabad
Date: 19th October, 2012

For **GATI LIMITED**

Mahendra Agarwal
Founder & CEO

R.S. AGARWALA & CO.
Chartered Accountants

28, Black Burn Lane
Kolkata - 700 012
Ph.: +91 33 22370741
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LIMITED REVIEW REPORT

We have reviewed the accompanying statement of unaudited financial results of **GATI Limited** for the quarter ended on 30th September, 2012 except for the disclosures regarding "Public Shareholding" and "Promoter and Promoter Group Shareholding" which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, *Engagements to Review Financial Statements* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards referred to in Section 211(3C) of the Companies Act,1956 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement except that, we are unable to express an opinion in the matter of claim by National Aviation Company of India Ltd. referred to in note 2.

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

R.S. Agarwala
(Partner)
Membership No. F-5534

Camp: Secunderabad
Date : 9th October, 2012