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 31st DECEMBER, 2012

Rs. In Lakhs

Particulars	Standalone					
	Quarter Ended(Unaudited)			Half Year Ended(Unaudited)		Year Ended (Audited)
	31.12.2012	30.09.2012	31.12.2011	31.12.2012	31.12.2011	30.06.2012
Income from Operations	2,530	2,417	23,195	4,945	46,684	69,365
Net Sales						
Other Operating Income	19	26	121	47	227	380
Total Income	**2,549**	**2,443**	**23,315**	**4,992**	**46,911**	**69,745**
Expenditure:						
- Cost ot Sales						
- Operating Expenses	2,158	2,185	15,885	4,343	31,875	47,751
- Employee Benefit Expenses	333	245	2,545	578	5,210	8,063
- Depreciation/ amortisation	49	26	606	75	1,436	2,720
- Other Expenses	251	143	2,315	394	4,514	7,339
Total	**2,791**	**2,599**	**21,352**	**5,390**	**43,036**	**65,872**
Profit/loss from Operations before Other Income, finance cost and exceptional items	**(242)**	**(156)**	**1,963**	**(398)**	**3,875**	**3,873**
Other Income	890	274	358	1,164	459	10,381
Profit before finance cost and exceptional item	648	117	2,321	766	4,333	14,254
Finance Cost	138	127	1,476	265	2,794	4,709
Profit / loss after finance costs but before exceptional item	**511**	**(9)**	**845**	**501**	**1,539**	**9,545**
Exceptional Item	66	124	(663)	190	(663)	34
Profit before tax	**577**	**115**	**182**	**691**	**876**	**9,579**
Tax Expense	(8)	9	(345)	1	(34)	2,379
Net Profit after tax	**585**	**106**	**526**	**689**	**910**	**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	1,732
Reserves excluding Revaluation reserve as per balance sheet of previous accounting year	33,413	33,045	28,670	33,413	28,670	33,093
Earnings Per Share (EPS) a) Basic	0.68	0.13	0.61	0.80	1.06	8.33
b) Diluted	0.50	0.10	0.61	0.59	1.05	6.17
PARTICULARS OF SHAREHOLDING						
Public Shareholding - No. of shares	4,81,61,762	4,81,61,762	4,74,46,476	4,81,61,762	4,74,46,476	4,81,61,762
- Percentage of shareholding	55.63	55.63	54.80	55.63	54.80	55.63
Promoter & Promoter Group shareholding						
a) Pledged / Encumbered						
- No. of shares	3,64,36,307	3,54,36,307	3,61,51,593	3,64,36,307	3,61,51,593	3,54,36,307
- Percentage of shares (as a % of the total shareholding of Promoter & Promoter group)	94.84	92.23	92.37	94.84	92.37	92.23
- Percentage of shares (as a % of the total share capital of the company)	42.08	40.93	41.75	42.08	41.75	40.93
b) Non-encumbered						
- No. of shares	19,84,218	29,84,218	29,84,218	19,84,218	29,84,218	29,84,218
- Percentage of shares (as a % of the total shareholding of Promoter & Promoter group)	5.16	7.77	7.63	5.16	7.63	7.77
- Percentage of shares (as a % of the total share capital of the company)	2.29	3.45	3.44	2.29	3.44	3.45
INVESTOR COMPLAINTS						
- Pending at the beginning of the quarter	Nil					
- Received during the quarter	9					
- Disposed of during the quarter	9					
- Remaining unresolved at the end of the quarter	Nil					

Notes:

1. Other income during the quarter includes Interim Dividend of Rs. 690 lakhs from three subsidiary companies Gati-Kintetsu Express Private Limited, Trymbak Commercial & Trading Pvt Ltd. and Sumeru Commercial & Trading Pvt Ltd.

2. Exceptional Item during the quarter represents the profit on sale of land

3. 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 has filed its statement of Claim before the Arbitral Tribunal for the losses suffered against which NACIL has made counter claims. Pending decision of the Arbitral Tribunal a sum of Rs. 2659 lacs 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 lacs. As per the legal advise 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.

4. 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 December 31, 2012, the loss on exchange variance of Rs 461.45 lacs has been transferred to the "Foreign Exchange Monetary Translation Difference Account" (FCMITDA). The amortization for the quarter on this account is Rs. 28.31 lakhs. The balance of Rs.508.49 lakhs in the FCMITDA has been carried forward therefore the net profit is lower by Rs. 28.31 lakhs for the quarter.

5. There is no tax liability on the profit for the quarter and tax expenses represent deferred tax.

6. The financials of the period ended 31st December 2012 are not comparable with those for the period ended 31st Dec 2011 in view of transfer of substantial part of the business to Gati-Kintetsu Express Private Limited with effect from 31st March, 2012.

7. 18,19,241 options under Employee Stock Options Scheme were outstanding as on December 31, 2012.

8. Figures for the quarter and half year ended 31st December 2011 have been regrouped where ever necessary to confirm to the schedule VI (as amended) of the companies act.

9. The Statutory auditors have carried out a limited review of the above financial results.

10. The above unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 12th January, 2013.

11. Statement of Assets and Liabilities as required under clause 41(I)(ea) of the Listing Agreement.

(Rs. In Lakhs)

Particulars	Standalone	
	Unaudited	Audited
	31.12.2012	30.06.2012
EQUITY AND LIABILITIES		
1 Shareholders Funds		
(a) Share Capital	1,732	1,732
(b) Reserves & Surplus	34,009	33,689
Shareholders' Funds :	**35,740**	**35,421**
2 Non-Current Liabilities		
(a) Long-term borrowings	13,755	14,618
(b) Deferred tax liabilities(Net)	891	890
(c) Other long-term liabilities	50	65
(d) Long-term provisions	750	397
Non - Current Liabilities :	**15,447**	**15,970**
3. Current Liabilities		
(a) Short-term borrowings	2,242	1,000
(b) Trade Payables	821	203
(c) Other current liabilities	3,075	1,914
(d) Short-term provisions	3,794	5,330
Current Liabilities :	**9,932**	**8,447**
TOTAL EQUITY AND LIABILITIES	**61,120**	**59,838**
ASSETS		
1 Non-current assets		
(a) Fixed Assets	8,657	8,661
(b) Non-current investments	26,847	25,799
(c) Long-term loans and advances	3,375	3,024
(d) Other non-current assets	542	946
Non-current assets :	**39,422**	**38,430**
2 Current assets		
(a) Current Investments	285	-
(b) Trade receivables	3,264	2,597
(c) Cash and cash equivalents	1,003	5,198
(d) Short-term loans and advances	17,146	13,612
Current assets :	**21,698**	**21,408**
TOTAL ASSETS	**61,120**	**59,838**

Place: Secunderabad
Date: 12th January, 2013

For **GATI LIMITED**

Mahendra Agarwal
Founder & CEO

R.S. AGARWALA & CO.
Chartered Accountants

28, Black Burn Lane
Kolkata- 700 012
PH.:+91 33 22370741
+91 33 22377682

LIMITED REVIEW REPORT

We have reviewed the accompanying statement of Unaudited Financial Results of GATI LIMITED for the quarter ended on 31st December, 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 provides 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 recognized 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 claims by National Aviation Company of India Ltd referred to in note 3.

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

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

Camp: Secunderabad
Date : 12th January, 2013

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 QUARTER ENDED 31st DECEMBER, 2012

Rs. In Lakhs

Particulars	Consolidated					
	Quarter Ended(Unaudited)			Half Year Ended(Unaudited)		Year Ended (Audited)
	31.12.2012	30.09.2012	31.12.2011	31.12.2012	31.12.2011	30.06.2012
Income from Operations	28,597	25,753	27,496	54,350	50,850	99,248
Net Sales	4,092	4,050	4,566	8,142	10,534	18,462
Other Operating Income	-	26	-	26	-	308
Total Income	**32,689**	**29,829**	**32,062**	**62,518**	**61,384**	**118,018**
Expenditure:						
- Cost of Sales	3,996	3,957	5,787	7,953	10,275	17,968
- Operating Expenses	20,683	18,501	18,012	39,184	35,450	71,028
- Employee Benefit Expenses	3,201	2,736	2,730	5,937	5,344	11,359
- Depreciation/ amortisation	598	567	609	1,165	1,711	3,696
- Other Expenses	2,927	2,930	2,717	5,857	5,469	10,537
Total	**31,405**	**28,691**	**29,855**	**60,096**	**58,249**	**114,588**
Profit/loss from Operations before Other Income, finance cost and exceptional items	**1,284**	**1,138**	**2,207**	**2,422**	**3,135**	**3,430**
Other Income	1,072	368	155	1,440	730	10,890
Profit before finance cost and exceptional item	2,356	1,506	2,362	3,862	3,865	14,319
Finance Cost	1,127	1,135	1,269	2,262	2,639	6,192
Profit / loss after finance costs but before exceptional item	**1,229**	**371**	**1,093**	**1,600**	**1,226**	**8,127**
Exceptional Item	(57)	(482)	(663)	(539)	(663)	(1,453)
Profit before tax	**1,172**	**(111)**	**430**	**1,061**	**563**	**6,675**
Tax Expense	393	416	327	809	11	2,524
Net Profit after tax	**779**	**(527)**	**103**	**252**	**552**	**4,151**
Minority Interest	(273)	(252)	-	(525)	-	(5)
Net profit for the period/year	**506**	**(779)**	**103**	**(273)**	**552**	**4,146**
Paid up Equity Share Capital (Face Value of the Share Rs.2/- each)	1,731.65	1,731.65	1,731.65	1,731.65	1,731.65	1,731.65
Reserves excluding Revaluation reserve as per balance sheet of previous accounting year	39,384	39,973	33,093	39,384	33,093	39,787
Earnings Per Share (EPS) a) Basic	0.33	-0.61	0.61	0.33	1.06	4.80
b) Diluted	0.24	-0.45	0.61	0.24	1.05	3.56
PARTICULARS OF SHAREHOLDING						
Public Shareholding - No. of shares	48,161,762	48,161,762	47,446,476	48,161,762	47,446,476	48,161,762
- Percentage of shareholding	55.63	55.63	54.80	55.63	54.80	55.63
Promoter & Promoter Group shareholding						
a) Pledged / Encumbered						
- No. of shares	36,436,307	35,436,307	36,151,593	36,436,307	36,151,593	35,436,307
- Percentage of shares (as a % of the total shareholding of Promoter & Promoter group)	94.84	92.23	92.37	94.84	92.37	92.23
- Percentage of shares (as a % of the total share capital of the company)	42.08	40.93	41.75	42.08	41.75	40.93
b) Non-encumbered						
- No. of shares	1,984,218	2,984,218	2,984,218	1,984,218	2,984,218	2,984,218
- Percentage of shares (as a % of the total shareholding of Promoter & Promoter group)	5.16	7.77	7.63	5.16	7.63	7.77
- Percentage of shares (as a % of the total share capital of the company)	2.29	3.45	3.44	2.29	3.44	3.45
INVESTOR COMPLAINTS						
- Pending at the beginning of the quarter	0					
- Received during the quarter	9					
- Disposed of during the quarter	9					
- Remaining unresolved at the end of the quarter	0					

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. In Lacs)

Particulars	Quarter Ended (Unaudited)			Half Year Ended (Unaudited)		Year Ended (Audited)
1. Segment Revenue (Net Sale / Income from each Segment)	**31.12.2012**	**30.09.2012**	**31.12.2011**	**31.12.2012**	**31.12.2011**	**30.06.2012**
a) Express Distribution & Supply Chain	27,937	25,141	26,674	53,078	49,192	97,556
b) Shipping	696	639	817	1,334	1,618	2,094
c) Fuel Sales	3,972	3,822	3,775	7,794	7,502	14,671
d) Other Sales	115	232	815	347	3,104	3,791
Total	**32,720**	**29,834**	**32,081**	**62,553**	**61,416**	**118,112**
Less: Inter Segment Revenue	30	5	19	36	32	94
Net Sales / Income from Operations	**32,690**	**29,829**	**32,062**	**62,517**	**61,384**	**118,018**
2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)						
a) Express Distribution & Supply Chain	3,499	2,463	3,200	5,962	6,783	19,806
b) Shipping	(283)	(634)	(166)	(917)	(727)	(2,511)
c) Fuel Sales	57	61	50	118	102	229
d) Other Sales	15	9	(36)	24	4	55
Total	**3,288**	**1,899**	**3,048**	**5,187**	**6,162**	**17,579**
Less: i) Interest (net of Income)	1,127	1,135	1,269	2,262	2,639	6,192
ii) Other unallocable expenditure net off	932	393	687	1,325	2,297	3,260
Total Profit before tax	**1,229**	**371**	**1,092**	**1,600**	**1,226**	**8,127**
3. Capital Employed						
Segment Assets						
a) Express Distribution & Supply Chain	73,443	76,604	65,152	73,443	65,152	67,765
b) Shipping	25,574	25,783	33,238	25,574	33,238	26,584
c) Fuel Stations	963	1,186	982	963	982	1,131
d) Unallocated/ Corporate	7,202	5,146	3,838	7,202	3,838	3,898
Total Assets	**107,182**	**108,719**	**103,210**	**107,182**	**103,210**	**99,378**
Segment Liabilities						
a) Express Distribution & Supply Chain	54,544	56,006	53,284	54,544	53,284	53,039
b) Shipping	10,654	10,147	10,154	10,654	10,154	9,626
c) Fuel Stations	272	265	186	272	186	250
d) Unallocated/ Corporate			7,676		7,676	
Total Liability	**65,470**	**66,418**	**71,300**	**65,470**	**71,300**	**62,915**
Capital Employed						
a) Express Distribution & Supply Chain	18,899	20,598	11,868	18,899	11,868	14,727
b) Shipping	14,920	15,636	23,083	14,920	23,083	16,957
c) Fuel Stations	691	921	797	691	797	881
e) Unallocated/ Corporate	7,202	5,146	(3,838)	7,201	(3,838)	3,898
Capital Employed	**41,712**	**42,301**	**31,910**	**41,711**	**31,910**	**36,463**

Notes:

1. The consolidated financial results include those of 17 subsidiaries including 5 overseas subsidiaries.

2. Other income during the quarter includes Interim Dividend of Rs. 690 lakhs from three subsidiary companies Gati-Kintetsu Express Private Limited, Trymbak Commercial & Trading Pvt Ltd. and Sumeru Commercial & Trading Pvt Ltd.

3. Exceptional Item during the quarter includes the profit on sale of land

4. 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 has filed its statement of Claim before the Arbitral Tribunal for the losses suffered against which NACIL has made counter claims. Pending decision of the Arbitral Tribunal a sum of Rs. 2659 lacs 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 lacs. As per the legal advise 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.

5. 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 December 31, 2012, the loss on exchange variance of Rs 461.45 lacs has been transferred to the "Foreign Exchange Monetary Translation Difference Account" (FCMITDA). The amortization for the quarter on this account is Rs. 28.31 lakhs. The balance of Rs.508.49 lakhs in the FCMITDA has been carried forward therefore the net profit is lower by Rs. 28.31 lakhs for the quarter.

6. The standalone un-audited financial results of the company for the quarter ended 31st December, 2012 are as follows:

(Rs. In Lacs)

Particulars	Quarter ended			Year ended
	31.12.2012	30.09.2012	31.12.2011	30.06.2012
Total Income	2549	2443	23315	69745
Profit before tax	577	115	182	9579
Net Profit after tax	585	106	526	7200

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

8. 18, 19,241 options under Employee Stock Options Scheme were outstanding as on December 31, 2012

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

10. Figures for the quarter and half year ended 31st December 2011 have been regrouped where ever necessary to confirm to the schedule VI (as amended) of the companies act.

11. The statutory auditors have carried out a limited review of the above financial results.

12. The above unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 12th January, 2013.

13. Statement of Assets and Liabilities as required under clause 41(I)(ea) of the Listing Agreement.

(Rs. In Lacs)

Particulars	Consolidated	
	Half Year Ended	Year Ended
	Unaudited	Audited
EQUITY AND LIABILITIES	31.12.2012	30.06.2012
1. (a) Share Capital	1,732	1,732
(b) Reserves & Surplus	39,980	40,383
(c) Money received against share warrants		
Shareholders' Funds :	**41,712**	**42,115**
2. Share application money pending allotment		
3. Minority Interest	**5,898**	**5,367**
4. Non-Current Liabilities	-	
(a) Long-term borrowings	22,917	26,408
(b) Deferred tax liabilities(Net)	1,174	1,010
(c) Other long-term Liabilities	1,619	65
(d) Long-term provisions	751	397
Non - Current Liabilities :	**26,461**	**27,880**
5 Current Liabilities		
(a) Short-term borrowings	10,028	13,745
(b) Trade Payabels	5,923	6,701
(c) Other current Liabilities	11,814	8,660
(d) Short-term provisions	5,346	5,930
Current Liabilities :	**33,111**	35,036
TOTAL EQUITY AND LIABILITIES	**107,182**	**110,398**
ASSETS		
1. Non-current assets		
(a) Fixed Assets	38,987	43,468
(b) Goodwill on Consolidation	811	1,012
(c) Non-current Investments	2,021	2,021
(d) Deferred tax assets(Net)	-	
(e) Long-term loans and advances	16,447	10,739
(f) Other non-current assets	564	947
Non-current assets :	**58,830**	**58,187**
2. Current Assets		
(a) Current Investments	1,287	-
(b) Inventories	758	1,079
(c) Trade receivables	21,366	18,901
(d) Cash and cash equivalents	5,064	14,008
(e) Short-term loans and advances	19,594	18,094
(f) Other current assets	282	129
Current assets :	**48,352**	**52,211**
TOTAL ASSETS	**107,182**	**110,398**

For **GATI LIMITED**

Place: Secunderabad
Date: 12th January, 2013

Mahendra Agarwal
Founder & CEO

R.S. AGARWALA & CO.
Chartered Accountants

28, Black Burn Lane
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 31st December, 2012 which includes unaudited and unviewed financial results of one overseas subsidiary 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 provides 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 recognized 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 claims by National Aviation Company of India Ltd referred to in note 4.

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

R.S. AGARWALA & COMPANY Chartered Accountants

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

Camp: Secunderabad
Date : 11th January, 2013