GATI LIMITED

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UNAUDITED FINANCIAL RESULTS FOR QUARTER ENDED 31st MARCH, 2012

(Rs. in Lakhs)

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31.03.2012	31.12.2011	31.03.2011	31.03.2012	31.03.2011	Audited 30.06.2011
Income from Operations	21,022	23,195	22,686	67,705	67,590	90,012
Other Operating Income	43	414	183	601	442	545
Total Income	**21,065**	**23,609**	**22,869**	**68,306**	**68,031**	90,557
Expenditure:						
- Operating Expenses	14,261	15,885	15,388	46,136	46,307	61,105
- Employee Expenses	2,604	2,545	2,546	7,814	7,604	10,562
- Depreciation and amortisation expenses	559	606	518	1,996	1,581	2,161
- Other Expenses	2,647	2,384	2,351	7,243	7,111	9,400
Total	**20,071**	**21,421**	**20,803**	**63,189**	**62,603**	83,229
Profit from Operations before Other Income, finance costs and exceptional items	**994**	**2,187**	**2,066**	**5,117**	**5,428**	7,328
Other Income (Note 5)	731	5	9	742	29	18
Profit from ordinary activities before finance costs and exceptional items	1,725	2,193	2,075	5,859	5,457	7,346
Finance Cost	1,404	1,348	1,430	3,999	3,724	5,051
Profit from ordinary activities after finance costs but before exceptional items	**321**	**845**	**645**	**1,860**	**1,733**	2,295
Exceptional Item Net (Note 2)	897	(663)	-	234	-	-
Profit from ordinary activities before tax	**1,218**	**182**	**645**	**2,094**	**1,733**	2,295
Tax Expense	413	(345)	285	379	681	865
Net Profit from ordinary activities after tax	**805**	**526**	**360**	**1,715**	**1,052**	1,430
Extraordinary Items	-	-	-	-	-	-
Net Profit for the period/year	**805**	**526**	**360**	**1,715**	**1,052**	1,430
Paid up Equity Share Capital (Face Value of the Share Rs.2/- each)	1,732	1,732	1,720	1,732	1,720	1,720
Reserves excluding Revaluation reserve	28,847	28,670	27,223	28,847	27,223	26,956
Earnings Per Share (EPS) a) Basic	0.93	0.61	0.42	1.99	1.22	1.68
b) Diluted	0.69	0.45	0.35	1.48	1.01	1.38
PARTICULARS OF SHAREHOLDING						
Public Shareholding - No. of shares	48161762	47,446,476	43,395,982	48,161,762	43,395,982	43,395,982
- Percentage of shareholding	55.63	54.80	50.46	55.63	50.46	50.46
Promoter & Promoter Group shareholding						
a) Pledged / Encumbered						
- No. of shares	35436307	36,151,593	38,001,700	35,436,307	38,001,700	38,049,700
- Percentage of shares (as a % of the total shareholding of Promoter & Promoter group)	92.23	92.37	89.19	92.23	89.19	89.30
- Percentage of shares (as a % of the total share capital of the company)	40.93	41.75	44.19	40.93	44.19	44.24
b) Non-encumbered						
- No. of shares	2984218	2,984,218	4,607,218	2,984,218	4,607,218	4,559,218
- Percentage of shares (as a % of the total shareholding of Promoter & Promoter group)	7.77	7.63	10.81	7.77	10.81	10.70
- Percentage of shares (as a % of the total share capital of the company)	3.45	3.44	5.36	3.45	5.36	5.30
INVESTOR COMPLAINTS						
- Pending at the beginning of the quarter	Nil					
- Received during the quarter	6					
- Disposed of during the quarter	6					
- Remaining unresolved at the end of the quarter	Nil					

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. in Lakhs)

Particulars	Quarter Ended			Nine Months Ended		Year Ended
						Audited
	31.03.2012	31.12.2011	31.03.2011	31.03.2012	31.03.2011	30.06.2011
1. Segment Revenue (Net Sale / Income from each Segment)						
a) Express Distribution & Supply Chain	21,014	22,380	20,058	66,086	59,729	80,883
b) Coast to Coast (Shipping)	8	817	2,643	1,626	7,899	9,197
Less: Inter Segment Revenue	-	3	15	7	38	68
Net Sales / Income from Operations	**21,022**	**23,195**	**22,686**	**67,705**	**67,590**	**90,012**
2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)						
a) Express Distribution & Supply Chain	3,095	3,776	2,667	10,199	7,049	9,762
b) Coast to Coast (Shipping)	(885)	(166)	59	(1,612)	236	8
Total	**2,210**	**3,610**	**2,726**	**8,587**	**7,285**	**9,770**
Less: i) Interest (net of Income)	(1,287)	(1,324)	(1,336)	(3,844)	(3,589)	(4,844)
ii) Other unallocable expenditure net off	(602)	(1,441)	(745)	(2,884)	(1,962)	(2,630)
Total Profit before tax and exceptional items	**321**	**845**	**645**	**1,860**	**1,733**	**2,295**
3. Capital Employed (Segment Assets - Segment Liabilities)						
a) Express Distribution & Supply Chain	17,315	11,762	12,211	17,315	3,065	11,507
b) Coast to Coast (Shipping)	(929)	23,084	20,871	(929)	20,871	21,726
c) Unallocated/ Corporate	14,571	(3,838)	547	14,571	9,692	955
Total	**30,957**	**31,007**	**33,628**	**30,957**	**33,628**	**34,189**

Notes:

1. Notwithstanding the sluggish economic environment, EDSC division of the company posted impressive performance compared with the same quarter in the previous year. However, the shipping division continued to incur losses thereby depressing the overall financials of the company. After obtaining shareholders' approval, the Company has re-structured its businesses as under:

   EDSC:

   In order to strengthen its leadership position in India and establish global footprint, the Board of Gati Ltd. had approved the proposal to form joint venture (JV) with Japanese global logistics service major Kintetsu World Express, and consequently , Company transferred substantial part of its Express Distribution and Supply Chain business (EDSC) to Gati-Kintetsu Express Pvt. Ltd., a wholly owned subsidiary on a going concern basis on 31.03.2012 to form the joint venture with Kintetsu World Express (KWE). The Joint Venture partner will eventually acquire 30% stake in the subsidiary Company, on receipt of necessary regulatory approvals.

   Shipping:

   Further, the Company transferred its Shipping business (Coast to Coast) to Gati Ship Pvt. Ltd., a wholly owned subsidiary with effect from 31.03.2012.

2. The net financial impact of the above has been accounted as an exceptional item. Exceptional item includes surplus on transfer of businesses Rs.28.66 crores and write off of other items of an exceptional nature Rs.19.69 crores.

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 March 31, 2012, Rs.3.69 Crores has been carried forward in the "Foreign Exchange Monetary Translation Difference Account" and Rs.1.00 crore has been adjusted to the cost of depreciable assets. Consequently the net profit is lower by Rs. 4.69 Cr for the quarter

4. The Company had initiated 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, no provision is considered necessary at this stage. The Auditors in their report have stated their inability to express an opinion in the matter.

5. Other income includes profit on sale of land of Rs. 7.26 crores during the quarter.

6. 19,92,741 options under Employee Stock Options Scheme were outstanding as on March 31, 2012.

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

8. The previous period /year figures have been regrouped/rearranged to be in conformity with the schedule-VI (as amended) of the Companies Act.

9. The above un-audited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 9th May, 2012.

Place: Secunderabad
Date: 9th May, 2012

For **GATI LIMITED**

Mahendra Agarwal
Managing Director & CEO