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 MARCH, 2013

Rs. In Lakhs

Particulars	Consolidated					
	Quarter Ended (Unaudited)			9 Months Ended (Unaudited)		Year Ended (Audited)
	31.03.2013	31.12.2012	31.03.2012	31.03.2013	31.03.2012	30.06.2012
Income from Operations	26,526	28,597	22,135	80,877	74,177	99,109
Net Sales	4,596	4,092	2,593	12,737	14,627	18,462
Other Operating Income	333	-	327	359	433	447
Total Income	**31,455**	**32,689**	**25,055**	**93,973**	**89,237**	**1,18,018**
Expenditure:						
- Cost ot Sales	4,477	3,996	2,743	12,430	14,317	17,968
- Operating Expenses	19,402	20,683	15,167	58,586	52,283	71,028
- Employee Benefit Expenses	3,089	3,201	3,163	9,026	8,623	11,359
- Depreciation/ amortisation	638	598	852	1,802	3,089	3,696
- Other Expenses	2,702	2,927	2,462	8,559	7,023	10,537
Total	**30,308**	**31,405**	**24,387**	**90,403**	**85,335**	**1,14,588**
Profit/loss from Operations before Other Income, finance cost and exceptional items	**1,147**	**1,284**	**668**	**3,570**	**3,902**	**3,430**
Other Income	274	1,072	659	1,714	1,203	10,890
Profit before finance cost and exceptional item	1,421	2,356	1,327	5,284	5,105	14,319
Finance Cost	1,055	1,127	1,957	3,318	4,527	6,192
Profit / loss after finance costs but before exceptional item	**366**	**1,229**	**(630)**	**1,966**	**578**	**8,127**
Exceptional Item	197	(57)	-	(342)	-	(1,453)
Profit before tax	**563**	**1,172**	**(630)**	**1,624**	**578**	**6,675**
Tax Expense	(192)	393	(276)	617	379	2,524
Net Profit after tax	**755**	**779**	**(354)**	**1,007**	**200**	**4,151**
Minority Interest	(188)	(273)	(0)	(713)	(0)	(5)
Net profit for the period/year	**567**	**505**	**(355)**	**294**	**199**	**4,146**
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	32,466	39,384	27,322	32,466	27,322	39,787
Earnings Per Share (EPS) a) Basic	0.66	0.58	(0.41)	0.34	0.23	4.80
b) Diluted	0.49	0.43	(0.30)	0.25	0.17	3.56
PARTICULARS OF SHAREHOLDING						
Public Shareholding - No. of shares	4,81,61,762	4,81,61,762	4,81,61,762	4,81,61,762	4,81,61,762	4,81,61,762
- Percentage of shareholding	55.63	55.63	55.63	55.63	55.63	55.63
Promoter & Promoter Group shareholding						
a) Pledged / Encumbered						
- No. of shares	3,64,36,307	3,64,36,307	3,54,36,307	3,64,36,307	3,54,36,307	3,54,36,307
- Percentage of shares (as a % of the total shareholding of Promoter & Promoter group)	94.84	94.84	92.23	94.84	92.23	92.23
- Percentage of shares (as a % of the total share capital of the company)	42.08	42.08	40.93	42.08	40.93	40.93
b) Non-encumbered						
- No. of shares	19,84,218	19,84,218	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	5.16	7.77	5.16	7.77	7.77
- Percentage of shares (as a % of the total share capital of the company)	2.29	2.29	3.45	2.29	3.45	3.45
INVESTOR COMPLAINTS						
- Pending at the beginning of the quarter	Nil					
- Received during the quarter	8					
- Disposed of during the quarter	8					
- Remaining unresolved at the end of the quarter	Nil					

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. In Lacs)

Particulars	Quarter Ended (Unaudited)			Nine Months Ended (Unaudited)		Year Ended (Audited)
1. Segment Revenue (Net Sale / Income from each Segment)	**31.03.2013**	**31.12.2012**	**31.03.2012**	**31.03.2013**	**31.03.2012**	**30.06.2012**
a) Express Distribution & Supply Chain	26,228	27,936	21,031	79,307	73,072	97,556
b) Shipping	673	696	8	2,007	1,626	2,094
c) Fuel Sales	4,281	3,972	3,681	12,075	11,162	14,671
d) Other Sales	315	115	390	662	3,467	3,791
Total	**31,497**	**32,719**	**25,110**	**94,051**	**89,327**	**1,18,112**
Less: Inter Segment Revenue	42	30	55	78	90	94
Net Sales / Income from Operations	**31,455**	**32,689**	**25,055**	**93,973**	**89,237**	**1,18,018**
2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)						
a) Express Distribution & Supply Chain	1,937	3,499	2,925	7,898	9,488	19,806
b) Shipping	(290)	(283)	(885)	(1,207)	(1,612)	(2,511)
c) Fuel Sales	21	57	56	139	158	229
d) Other Sales	(54)	15	(50)	(30)	(46)	55
Total	**1,614**	**3,288**	**2,046**	**6,801**	**7,988**	**17,579**
Less: i) Interest	1,056	1,127	1,957	3,318	4,526	6,192
ii) Other unallocable expenditure net off	192	932	719	1,517	2,884	3,260
Total Profit before tax	**366**	**1,229**	**(630)**	**1,966**	**578**	**8,127**
3 Capital Employed						
a) Express Distribution & Supply Chain	20,626	18,899	18,930	20,626	18,930	14,727
b) Shipping	19,796	14,920	5,723	19,796	5,723	16,957
c) Fuel Stations	736	691	834	736	834	881
e) Unallocated/ Corporate	(6,961)	7,202	4,163	(6,961)	4,163	3,898
Capital Employed	**34,197**	**41,712**	**29,650**	**34,197**	**29,650**	**36,463**

Notes:

1. The consolidated financial results include those of 17 subsidiaries including 5 subsidiaries merged with the holding company as per the Scheme of Arrangement.

2. 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 as per the Scheme.

   During the current quarter a strategic partner acquired 40% interest in the subsidiary namely Gati Ship Limited. This resulted in a loss of Rs.64 crores on sale of investment in shares in the subsidiary, which has been adjusted against the above Special Reserve in the Balance Sheet as per the Scheme and not in the profit and loss account as required in terms of Accounting Standard 13 – "Accounting for Investments". To this extent the financials for the quarter have not been impacted.

3. During the quarter, the name of Kausar India Ltd., subsidiary of the company was changed to Gati Kausar India Ltd.

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 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 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 March 31, 2013, the gain on exchange variance of Rs 86.07 lakhs has been transferred to the "Foreign Exchange Monetary Translation Difference Account" (FCMITDA). The amortization for the quarter on this account is Rs.18.71 lakhs. The balance of Rs. 403.71 lakhs in the FCMITDA has been carried forward therefore the net profit is lower by Rs. 18.71lakhs for the quarter.

6. The standalone un-audited financial results of the company for the quarter ended 31st March, 2013 are as follows:

Rs in Lakhs

Particulars	Quarter ended			Year ended
	31.03.2013	31.12.2012	31.03.2012	30.06.2012
Turnover	2352	2549	21245	69745
Profit before tax	318	577	1219	9579
Net Profit after tax	822	585	806	7200

7. Tax expense is net of Income Tax, Deferred Tax and reversal of excess tax provision during the previous year of Rs.5 crores.

8. 18,04,816 options under Employee Stock Options Scheme were outstanding as on March 31, 2013.

9. The exceptional item during the quarter represents the profit on sale of land and building.

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

11. Figures for the corresponding quarter and nine months ended 31st March, 2012 have been regrouped where ever necessary to confirm to the schedule VI (as amendment) of the companies act.

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

13. The above unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 9, 2013.

For **GATI LIMITED**

Place: Secunderabad
Date: May 9, 2013

Mahendra Agarwal
Founder & CEO