GATI LIMITED

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UNAUDITED FINANCIAL RESULTS FOR QUARTER ENDED 31st MARCH, 2013

Rs. In Lakhs

Particulars	Standalone					
	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	2,336	2,530	21,106	7,281	67,929	69,365
Other Operating Income	16	19	139	63	227	380
Total Income	**2,352**	**2,549**	**21,245**	**7,344**	**68,156**	**69,745**
Expenditure:						
- Operating Expenses	1,866	2,158	14,322	6,209	46,294	47,908
- Employee Benefit Expenses	200	333	2,648	778	7,975	8,270
- Depreciation/ amortisation	50	49	559	125	1,996	2,720
- Other Expenses	149	251	2,370	543	6,671	6,975
Total	**2,265**	**2,791**	**19,900**	**7,655**	**62,935**	**65,872**
Profit/loss from Operations before Other Income, finance cost and exceptional items	**87**	**(242)**	**1,345**	**(311)**	**5,220**	**3,873**
Other Income	175	890	606	1,339	1,065	10,381
Profit before finance cost and exceptional item	262	648	1,951	1,028	6,285	14,254
Finance Cost	142	138	1,631	407	4,425	4,709
Profit / loss after finance costs but before exceptional item	**120**	**511**	**321**	**621**	**1,860**	**9,545**
Exceptional Item	197	66	897	387	234	34
Profit before tax	**317**	**577**	**1,218**	**1,008**	**2,094**	**9,579**
Tax Expense	(505)	(8)	413	(504)	379	2,379
Net Profit after tax	**822**	**585**	**805**	**1,512**	**1,715**	**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	82,753	32,905	29,113	82,753	29,113	32,212
Earnings Per Share (EPS) a) Basic	0.95	0.68	0.93	1.75	1.99	8.33
b) Diluted	0.71	0.50	0.69	1.29	1.48	6.17
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 Lakhs

Particulars	Standalone Quarter Ended			Standalone Nine Months Ended		Standalone Year Ended
	31.03.2013	31.12.2012	31.03.2012	31.03.2013	31.03.2012	30.06.2012
1. Segment Revenue (Net Sale / Income from each Segment)						
a) Express Distribution & Supply Chain	2,352	2,549	21,237	7,344	66,536	68,125
b) Coast to Coast (Shipping)			8		1,626	1,626
c) Fuel Sales						
d) Other Sales						
Less: Inter Segment Revenue					7	7
Net Sales / Income from Operations	**2,352**	**2,549**	**21,245**	**7,344**	**68,156**	**69,745**
2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)						
a) Express Distribution & Supply Chain	263	648	3,438	1,029	10,780	19,125
b) Coast to Coast (Shipping)			(885)		(1,611)	(1,611)
c) Fuel Sales						
d) Other Sales						
Total	**263**	**648**	**2,554**	**1,029**	**9,169**	**17,514**
Less: i) Interest	142	138	1,631	407	4,425	4,709
ii) Other unallocable expenditure net off			602		2,884	3,260
Total Profit before tax & Exceptional Item	**121**	**511**	**321**	**622**	**1,860**	**9,545**
3. Capital Employed (Segment Assets - Segment Liabilities)						
a) Express Distribution & Supply Chain	18,809	34,636	30,845	18,809	30,845	33,944
b) Coast to Coast (Shipping)						
c) Fuel Stations	486			486		
c) Unallocated/ Corporate	65,190			65,190		
Total	**84,485**	**34,636**	**30,845**	**84,485**	**30,845**	**33,944**

Notes:

1. 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.

2. Impairment to the carrying cost of Investments in subsidiaries will be considered in the annual accounts

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 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.

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 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. 18.71 lakhs for the quarter.

5. 18, 04,816 options under Employee Stock Options Scheme were outstanding as on March 31, 2013

6. Exceptional Item during the quarter represents the profit on sale of land and building.

7. Tax Expense is net off deferred tax and reversal of excess tax provision of Rs. 5 Crores.

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 9th May, 2013.

9. The financials of the period ended 31st March 2013 are not comparable with those for the period ended 31st March 2012 in view of transfer of business to Gati-Kintetsu Express Private Limited and Gati Ship Limited with effect from 31st March, 2012.

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

For **GATI LIMITED**

Place: Secunderabad
Date: 9th May, 2013

Mahendra Agarwal
Founder & CEO