GATI LIMITED

Regd. & Head Office: 1-7-293, M G Road, Secunderabad 500 003.
Tel: 040 27844284 Fax: 040 27894282
website: www.gati.com e-mail: investor.services@gati.com

PART - I : STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR QUARTER ENDED 30TH JUNE, 2014

Rs. In Lakhs

Particulars	Standalone			
	Quarter Ended			Nine Months Ended
	30.06.2014	31.03.2014	30.06.2013	31.03.2014
	Unaudited	Unaudited	Unaudited	Audited
Income from Operations	4,243	3,493	2,105	9,303
Net Sales	5,235	5,011	4,615	14,883
Other Operating Income	56	802	721	1,196
Total Income	**9,534**	**9,306**	**7,441**	**25,382**
Expenditure:				
- Cost ot Sales	5,132	4,910	4,522	14,591
- Operating Expenses	2,985	2,664	1,609	7,296
- Employee Benefit Expenses	520	477	398	1,236
- Depreciation/ amortisation	164	54	84	405
- Other Expenses	384	519	209	974
Total	**9,185**	**8,624**	**6,822**	**24,502**
Profit/loss from Operations before Other Income, finance cost and exceptional items	349	682	619	880
Other Income	249	383	182	876
Profit before finance cost and exceptional item	**598**	1,065	801	1,756
Finance Cost	235	153	191	469
Profit / loss after finance costs but before exceptional item	363	912	610	1,287
Exceptional Item	-	-	-	-
Profit before tax	**363**	**912**	**610**	**1,287**
Tax Expense	28	(769)	(414)	(769)
Net Profit after tax	**335**	**1,681**	**1,024**	**2,056**
Paid up Equity Share Capital (Face Value of the Share Rs.2/- each)	1,745	1,745	1,732	1,745
Reserves excluding Revaluation reserve as per balance sheet of previous accounting year				61,658
Earnings Per Share (EPS) a) Basic	0.38	1.93	1.18	2.37
b) Diluted	0.28	1.43	0.88	1.76
PART - II : SELECT INFORMATION FOR THE QUARTER ENDED JUNE 30, 2014				
A. PARTICULARS OF SHAREHOLDING				
Public Shareholding - No. of shares	56,834,771	54,005,657	48,603,857	54,005,657
- Percentage of shareholding	65.13	61.89	56.14	61.89
Promoter & Promoter Group shareholding				
a) Pledged / Encumbered				
- No. of shares	19,952,017	21,026,581	36,771,307	21,026,581
- Percentage of shares (as a % of the total shareholding of Promoter & Promoter group)	65.57	63.22	96.82	63.22
- Percentage of shares (as a % of the total share capital of the company)	22.86	24.10	42.47	24.10
b) Non-encumbered				
- No. of shares	10,477,299	12,231,849	1,207,123	12,231,849
- Percentage of shares (as a % of the total shareholding of Promoter & Promoter group)	34.43	36.78	3.18	36.78
- Percentage of shares (as a % of the total share capital of the company)	12.01	14.01	1.39	14.01
B. INVESTOR COMPLAINTS				
- Pending at the beginning of the quarter	0			
- Received during the quarter	3			
- Disposed of during the quarter	3			
- Remaining unresolved at the end of the quarter	0			

Notes:

1. The Company is mainly engaged in the business of overseeing the operation of its subsidiaries, running of fuel stations besides e-Commerce logistics and integrated freight forwarding.

2. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on August 6, 2014.

3. During the quarter the company sold 12.09% of its holding in Gati Ship Ltd. Consequently Gati Ship Ltd. ceases to be a subsidiary from May 15, 2014 and is now an associate.

4. During the quarter the company was allotted 9,93,354 14.5%Unsecured Optionally Convertible Debentures of Rs 100/- each on the terms of subscription, redemption or conversion and other conditions as per Investment Agreement dated 6th May 2014 by Gati Infrastructure Sada-Mangder Power Private Limited in lieu of loan along with the outstanding interest.

5. The Learned Arbitral Tribunal adjudicating on the disputes between the Company and Air India Limited (erstwhile NACIL) in respect of the discontinued freighter operations of the Company, has passed its Award dated 17th September 2013, whereby, it has inter alia directed Air India Limited to pay an amount of Rs. 2682 Lakhs to the Company. Further, the Learned Tribunal has directed Air India Limited to pay interest at the rate of 18% per annum on the awarded amount. Air India has filed a Petition in the Hon'ble Delhi High Court inter alia seeking setting aside of the Award. The matter is pending adjudication. In the circumstances, the dues receivable of Rs. 2659 lakhs from Air India Limited under the Award, which have been included in loans and advances, are considered good for recovery by the management. In the meanwhile, the Company is taking steps to secure the amount due from Air India Limited.

6. The Company had issued 22,182 Zero Coupon Unsecured Foreign Currency Convertible Bonds (FCCB) of US$1,000 each, thereby raising US$ 22.18 Mn. on December 12, 2011. The Bonds are convertible pursuant to terms and conditions thereof, any time from December 12, 2012 upto the close of business on November 13, 2016 by holders of the Bonds into fully paid equity shares of the company. Unless previously converted, redeemed or purchased and cancelled, the Bonds will be redeemed in US dollars at 132.8341 percent of principal amount on December 13, 2016 giving a Yield to Maturity of 5.76 percent per annum calculated on semi-annual basis.

7. In response to company's application to Reserve Bank of India (RBI) seeking permission for part repurchase of FCCBs, RBI vide its letter dated 27th September 2013 stated that the Company was not an eligible borrower under the automatic route and the borrowing be treated as a Foreign Debt and Company may be allowed repayment based on compounding order by RBI. The company was levied a compounding fee of Rs.296 lakhs by RBI which was challenged by the Company in the High Court of A.P. While suspending the compounding orders of RBI, the Hon'ble High Court of Andhra Pradesh had passed an interim order directing the Company to deposit Rs.74 lakhs with RBI, out of the compounding fee of Rs.296 lakhs, which the Company has since deposited. Meanwhile the Company received conversion notices from the bondholders, but since

the matter being subjudice and on the basis of written legal advice, and pending clarification from RBI, the Company has not converted the FCCBs.

8. During the quarter, in compliance with the requirement of Schedule II of the Companies Act which came into effect from 1st April 2014, the Company has revised the useful life of its fixed assets. In case of asset whose useful life has been completed as on 31st March 2014 the carrying value (net of deferred tax of Rs. 15.18 Lakhs) of the assets amounting to Rs. 29.48 Lakhs has been adjusted with the opening balance of retained earnings i.e. surplus in statement of Profit and Loss account and depreciation for the quarter ended June 30th, 2014 is higher by 6.10 lakhs.

9. 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 exchange difference on the Long term Foreign Currency Monetary Items to carrying cost of depreciable fixed assets and in other cases to amortize over their tenure. Accordingly as on June 30, 2014, the gain on exchange variance of Rs 1.44 lakhs during the period has been transferred to the "Foreign Currency Monetary Item Translation Difference Account" (FCMITDA). The amortization for the period on this account is Rs. 115.87 lakhs. The balance of Rs.1139.62 lakhs in the FCMITDA has been carried forward.

10. 17,06,590 options under Employee Stock Options Scheme were outstanding as on June 30, 2014.

11. Figures of the previous quarter have been regrouped /reclassified wherever necessary.

12. Tax expenses include Income tax and Deferred tax.

For GATI LIMITED

Mahendra Agarwal
Founder & CEO
DIN: 00179779

Place: Hyderabad
Date: August 6, 2014