

GATI LIMITED

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AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED 31ST MARCH, 2014

Rs. In Lakhs

Particulars	Quarter Ended			Nine Month Ended		Year Ended
	31.03.2014	31.12.2013	31.3.2013	31.03.2014	31.3.2013	30.06.2013
	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Audited
Income from Operations	32,208	30,893	26,526	93,032	80,877	108,114
Sale of Products	5,982	5,854	4,596	17,923	12,737	17,556
Other Operating Income	139	251	537	702	1,456	1,625
Total Income	38,329	36,998	31,659	111,657	95,070	127,295
Expenditure:						
- Cost of Sales	5,829	5,740	4,477	17,481	12,430	17,140
- Operating Expenses	22,789	21,846	19,402	66,270	58,586	78,588
- Employee Benefit Expenses	3,479	3,457	3,089	10,269	9,026	12,364
- Depreciation/Amortisation	668	745	638	2,207	1,802	2,475
- Other Expenses	3,341	2,940	2,702	9,226	8,559	10,986
Total	36,106	34,728	30,308	105,453	90,403	121,553
Profit/loss from Operations before Other Income, finance cost and exceptional items	2,223	2,270	1,351	6,204	4,667	5,742
Other Income	325	374	267	1,061	1,004	1,657
Profit before finance cost and exceptional item	2,548	2,644	1,618	7,265	5,671	7,399
Finance Cost	1,063	1,117	1,055	3,250	3,318	4,367
Profit / loss after finance costs but before exceptional item	1,485	1,527	563	4,015	2,353	3,032
Exceptional Item	-	-	-	-	(729)	(708)
Profit Before Tax	1,485	1,527	563	4,015	1,624	2,324
Tax Expense	104	653	(192)	1,184	617	597
Net Profit after tax	1,381	874	755	2,831	1,007	1,727
Minority Interest	(167)	(206)	(188)	(489)	(713)	(764)
Net profit for the period/year	1,214	668	567	2,342	294	963
Paid up Equity Share Capital (Face Value of the Share Rs.2/- each)	1,745	1,732	1,732	1,745	1,732	1,732
Reserves excluding Revaluation reserve as per balance sheet of previous accounting year	-	-	-	-	-	76,373
Earnings Per Share (EPS)	1.40	0.77	0.66	2.70	0.34	1.11
a) Basic						
b) Diluted	1.03	0.57	0.49	2.00	0.25	0.82
PARTICULARS OF SHAREHOLDING						
Public Shareholding	54,005,657	57,193,857	48,161,762	54,005,657	48,161,762	48,603,857
- No. of shares						
- Percentage of shareholding	61.89	66.06	55.63	61.89	55.63	56.14
Promoter & Promoter Group shareholding						
a) Pledged / Encumbered						
- No. of shares	21,026,581	23,681,307	36,436,307	21,026,581	36,436,307	36,771,307
- Percentage of shares (as a % of the total shareholding of Promoter & Promoter group)	63.22	80.58	94.84	63.22	94.84	96.82
- Percentage of shares (as a % of the total share capital of the company)	24.10	27.35	42.08	24.10	42.08	42.47
b) Non-encumbered						
- No. of shares	12,231,849	5,707,123	1,984,218	12,231,849	1,984,218	1,207,123
- Percentage of shares (as a % of the total shareholding of Promoter & Promoter group)	36.78	19.42	5.16	36.78	5.16	3.18
- Percentage of shares (as a % of the total share capital of the company)	14.01	6.59	2.29	14.01	2.29	1.39
INVESTOR COMPLAINTS						
- Pending at the beginning of the quarter	Nil					
- Received during the quarter	2					
- Disposed of during the quarter	2					
- Remaining unresolved at the end of the quarter	Nil					

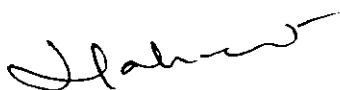
SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

Rs. In Lakhs

Particulars	Quarter Ended			Nine Month Ended		Year Ended
	31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013	30.06.2013
1. Segment Revenue (Net Sale / Income from each Segment)						
	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Audited
a) Express Distribution & Supply Chain	31,830	30,489	26,432	91,834	79,307	1,07,358
b) Shipping	523	655	673	1,915	2,007	2,405
c) Fuel Sales	5,055	4,928	4,281	14,927	12,075	16,708
d) Other Sales	976	944	315	3,063	1,759	907
Total	38,384	37,016	31,701	1,11,739	95,148	1,27,378
Less: Inter Segment Revenue	(55)	(18)	(42)	(82)	(78)	(83)
Net Sales / Income from Operations	38,329	36,998	31,659	1,11,657	95,070	1,27,295
2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)						
a) Express Distribution & Supply Chain	2,852	2,808	1,941	7,883	6,769	8,793
b) Shipping	(365)	(252)	(290)	(874)	(1,207)	(1,646)
c) Fuel Sales	79	71	21	228	139	217
d) Other Sales	(18)	17	(54)	28	(30)	35
Total	2,548	2,644	1,618	7,265	5,671	7,399
Less: Interest Expenses	1,063	1,117	1,055	3,250	3,318	4,367
Total Profit before tax and Exceptional Items	1,485	1,527	563	4,015	2,353	3,032
3 Capital Employed (Segment Assets - Segment Liabilities)						
a) Express Distribution & Supply Chain	93,296	95,564	52,873	93,296	52,873	95,486
b) Shipping	36,075	36,150	35,590	36,075	35,590	36,212
c) Fuel Stations	604	587	793	604	793	476
e) Unallocated/ Corporate/Inter Segment	(53,281)	(53,775)	(55,060)	(53,281)	(55,060)	(54,068)
Capital Employed	76,694	78,526	34,196	76,694	34,196	78,106

Notes

1. The company and its 12 subsidiaries including 5 overseas step down subsidiaries are engaged primarily in the business of running Express Distribution, Supply Chain Services, Shipping, Integrated Freight Forwarding, Warehousing and Fuel stations.
2. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 6, 2014.
3. The Board of Directors has recommended a dividend of 35% for the financial period of 9 months ended 31st March 2014.
4. An appraisal of the carrying value of company's investment in subsidiaries was carried out by the management and the diminution in their values amounting to Rs 13551 Lacs has been adjusted against Special Reserve in the Balance Sheet. Further certain advances and receivables amounting to Rs 6744 Lacs relating to the company's subsidiary which is in the process of exiting from the shipping business found to be irrecoverable have been adjusted against the Special Reserve. Advances aggregating to Rs 1261 Lacs on capital account in respect of the discontinued business now found doubtful of recovery have been considered by the management as exceptional items and adjusted against the Special Reserve in the Balance Sheet. All the above accounting treatment is in accordance with the Scheme of Arrangement approved by the Honorable High Court of Andhra Pradesh vide their order dated 19th March 2013.
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 Lacs to the Company against which an amount of Rs. 2659 Lacs is included in the Loans and Advances being the difference between the amount of bank guarantee invoked by NACIL and claims acknowledged by the Company. Further, the Learned Tribunal has directed Air India Limited to pay interest @ 18% per annum on the awarded amount. Air India has preferred an Appeal in the Hon'ble Delhi High Court inter alia seeking setting aside of the Award. The matter is pending adjudication.
6. 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, 2014, the gain on exchange variance of Rs 88.79 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. 348.94 lakhs. The balance of Rs.1256.93 lakhs in the FCMITDA has been carried forward.
7. The Board of Directors of the company has allotted equity shares on exercise of options at a premium of Rs.33.05 per share granted to Employees 6,29,300 shares and Non-Executive Directors 52,500 shares. Consequently the Equity Share Capital of the company increased from 8,65,82,287 equity shares of Rs 2/- each to 8,72,64,087 equity shares of Rs 2/- each during the quarter.



8. Statement of Assets and Liabilities as required under clause 41(ii)(aa) of Listing agreement

(Rs. In Lakhs)

Particulars	Consolidated	
	audited	Audited
	31.03.2014	30.06.2013
EQUITY AND LIABILITIES		
1. (a) Share Capital	1,745	1,732
(b) Reserves & Surplus	75,545	76,969
	77,290	78,701
2. Minority Interest	11,732	11,542
3. Non-Current Liabilities		
(a) Long-term borrowings	26,717	23,780
(b) Deferred tax liabilities(Net)	608	1,067
(c) Other long-term liabilities	55	40
(d) Long-term provisions	1,863	1,220
	29,243	26,108
4. Current Liabilities		
(a) Short-term borrowings	13,043	13,814
(b) Trade Payables	7,317	6,629
(c) Other current liabilities	12,575	14,525
(d) Short-term provisions	6,535	4,716
	39,470	39,684
TOTAL EQUITY AND LIABILITIES	157,735	156,035
ASSETS		
1 Non-Current Assets		
(a) Fixed Assets (including CWIP)	41,810	41,160
(b) Goodwill on Consolidation	44,688	44,688
(c) Non-current Investments	5,478	2,021
(d) Long-term loans and Advances	13,380	14,894
(e) Other non-current Assets	176	51
	105,532	102,814
2 Current Assets		
(a) Current Investments	-	-
(b) Inventories	1,191	1,184
(c) Trade Receivables	24,142	22,028
(d) Cash and Cash equivalents	3,080	4,658
(e) Short-term loans and Advances	23,790	25,351
(f) Other current Assets	-	-
	52,203	53,221
TOTAL ASSETS	157,735	156,035



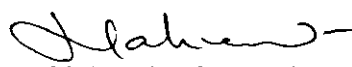
9. 17,06,590 options under Employee Stock Options Scheme were outstanding as on March 31, 2014.
10. In response to company's application to Reserve Bank of India (RBI) seeking permission for part repurchase of FCCB, RBI vide its letter dated 27th September 2013 accorded permission while stating that the Company was not an eligible borrower under the automatic route and the borrowing be treated as a Foreign Debt. The company was levied a compounding fee of Rs.296 Lacs in this respect. The company has paid Rs 74 lacs under protest and has moved the High Court of Andhra Pradesh on the order.
11. The standalone financial results of the company for the quarter ended 31st March, 2014 are as follows:

Rs in Lakhs

Particulars	Quarter ended			Period ended
	31.03.2014	31.12.2013	31.03.2013	31.03.2014
Turnover	9306	8245	2776	25382
Profit before tax	912	203	318	1287
Net Profit after tax	1681	203	822	2056

12. The financial results cover a period of nine months ended 31st March 2014 and the company would henceforth close the accounts on 31st March each year. The figures for the current period are therefore not comparable with those of the previous year.
13. Tax expenses include Income Tax, Deferred Tax for the current period and deferred tax adjustment of Rs 782 Lacs relating to discontinued business.
14. Figures of the previous quarter/period have been regrouped/reclassified wherever necessary.
15. The standalone financial results of the Company are available for investors at www.gati.com, www.nseindia.com and www.bseindia.com

For **GATI LIMITED**



Mahendra Agarwal

Founder & CEO

Place: Secunderabad

Date: May 6, 2014