

# UNAUDITED FINANCIAL RESULTS FOR QUARTER ENDED 31<sup>st</sup> MARCH, 2012

(₹ 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<br>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                   |
| <b>Total Income</b>   | <b>21,065</b> | <b>23,609</b> | <b>22,869</b> | <b>68,306</b>     | <b>68,031</b> | <b>90,557</b>         |
| Expenditure:  |               |               |               |                   |               |                       |
| - Operating Expenses  | 14,261        | 15,885        | 15,388        | 46,136            | 46,307        | 61,105                |
| - Employees 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                 |
| <b>Total</b>  | <b>20,071</b> | <b>21,421</b> | <b>20,803</b> | <b>63,189</b>     | <b>62,603</b> | <b>83,229</b>         |
| <b>Profit from Operations before Other Income, finance costs and exceptional items</b>  | <b>994</b>    | <b>2,187</b>  | <b>2,066</b>  | <b>5,117</b>      | <b>5,428</b>  | <b>7,328</b>          |
| Other Income (Note 5)   | 731           | 5             | 9             | 742               | 29            | 18                    |
| <b>Profit from ordinary activities before finance costs and exceptional items</b>       | <b>1,725</b>  | <b>2,193</b>  | <b>2,075</b>  | <b>5,859</b>      | <b>5,457</b>  | <b>7,346</b>          |
| Finance Cost  | 1,404         | 1,348         | 1,430         | 3,999             | 3,724         | 5,051                 |
| <b>Profit from ordinary activities after finance costs but before exceptional items</b> | <b>321</b>    | <b>845</b>    | <b>645</b>    | <b>1,860</b>      | <b>1,733</b>  | <b>2,295</b>          |
| Exceptional Item (Note 2)   | 897           | (663)         | -             | 234               | -             | -                     |
| <b>Profit from ordinary activities before tax</b>                                       | <b>1,218</b>  | <b>182</b>    | <b>645</b>    | <b>2,094</b>      | <b>1,733</b>  | <b>2,295</b>          |
| Tax Expense   | 413           | (345)         | 285           | 379               | 681           | 865                   |
| <b>Net Profit from ordinary activities after tax</b>                                    | <b>805</b>    | <b>526</b>    | <b>360</b>    | <b>1,715</b>      | <b>1,052</b>  | <b>1,430</b>          |
| Extraordinary Items   | -             | -             | -             | -                 | -             | -                     |
| <b>Net Profit for the period/year</b>   | <b>805</b>    | <b>526</b>    | <b>360</b>    | <b>1,715</b>      | <b>1,052</b>  | <b>1,430</b>          |
| Paid up Equity Share Capital (Face Value of the Share ₹ 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)  | 0.93          | 0.61          | 0.42          | 1.99              | 1.22          | 1.68                  |
| a) Basic  |               |               |               |                   |               |                       |
| b) Diluted  | 0.69          | 0.45          | 0.35          | 1.48              | 1.01          | 1.38                  |
| <b>Particulars of Shareholding Public Shareholding</b>                                  |               |               |               |                   |               |                       |
| - No. of shares   | 48,161,762    | 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                 |
| <b>Promoter &amp; Promoter Group shareholding</b>                                       |               |               |               |                   |               |                       |
| a) Pledged / Encumbered   |               |               |               |                   |               |                       |
| - No. of shares   | 35,436,307    | 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   | 29,84,218     | 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                  |
| <b>Investor Complaints</b>  |               |               |               |                   |               |                       |
| - 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           |               |               |                   |               |                       |

## 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.

## SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(₹ 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<br>30.06.2011 |
| <b>1. Segment Revenue (Net Sale / Income from each Segment)</b>                             |               |               |               |                   |               |                       |
| 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   | -             | -             | 15            | 7                 | 38            | 68                    |
| <b>Net Sales / Income from Operations</b>   | <b>21,022</b> | <b>23,195</b> | <b>22,686</b> | <b>67,705</b>     | <b>67,590</b> | <b>90,012</b>         |
| <b>2. Segment Results (Profit (+) / Loss (-) before tax and interest from each Segment)</b> |               |               |               |                   |               |                       |
| 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                     |
| <b>Total</b>  | <b>2,210</b>  | <b>3,610</b>  | <b>2,726</b>  | <b>8,587</b>      | <b>7,285</b>  | <b>9,770</b>          |
| 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)               |
| <b>Total Profit before tax and exceptional items</b>  | <b>321</b>    | <b>845</b>    | <b>645</b>    | <b>1,860</b>      | <b>1,733</b>  | <b>2,295</b>          |
| <b>3. Capital Employed (Segment Assets - Segment Liabilities)</b>                           |               |               |               |                   |               |                       |
| 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                   |
| <b>Total</b>  | <b>30,957</b> | <b>31,007</b> | <b>33,628</b> | <b>30,957</b>     | <b>33,628</b> | <b>34,189</b>         |

## 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.

- The net financial impact of the above restructuring has been accounted as an exceptional item. Exceptional item includes surplus on transfer of businesses ₹ 28.66 crores and write off of other items of an exceptional nature ₹ 19.69 crores
- 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, ₹ 3.69 crores has been carried forward in the "Foreign Exchange Monetary Translation Difference Account" and ₹ 1.00 crore has been adjusted to the cost of depreciable assets. Consequently the net profit is lower by ₹ 4.69 crores for the quarter.
- 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 ₹ 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.
- Other income includes profit on sale of land of ₹ 7.26 crores sold during the quarter.
- 19,92,741 options under Employee Stock Options Scheme were outstanding as on March 31, 2012.
- Tax expense for the current period represents Income Tax and Deferred Tax.
- The previous period / year figures have been regrouped / rearranged to be in conformity with the Schedule-VI (as amended) of the Companies Act.
- 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 9<sup>th</sup> May, 2012.

Place : Secunderabad  
Date : 9<sup>th</sup> May, 2012

For GATI LIMITED  
**Mahendra Agarwal**  
Managing Director & CEO

CALL FREE NO.: 1800-180-4284

www.gati.com



Regd. & Head Office: GATI LIMITED  
1-7-293, M.G. Road, Secunderabad-500003.  
Fax No. 040-27894284  
E-mail: investor.services@gati.com