

Annexure – H

REPORT ON CORPORATE GOVERNANCE

Corporate governance is the set of processes, customs, policies, laws and institutions affecting the way a company is directed, administered or controlled. It is a system of structuring, operating and controlling a company with a view to achieve long term strategic goals to satisfy shareholders, creditors, employees, customers and suppliers.

Corporate governance is based on principles such as conducting the business with all integrity and fairness, being transparent with regard to all transactions, making all the necessary disclosures and decisions, complying with all the laws of the land, accountability and responsibility towards the stakeholders and commitment to conducting business in an ethical manner.

Company's Philosophy

Gati Limited ('Gati' or 'the Company') believes that timely disclosures, transparent accounting policies and a strong and independent Board go a long way in maintaining good corporate governance, preserving shareholders' trust and maximizing long-term corporate value.

The Company's philosophy on Corporate Governance focuses on the attainment of the highest standards of transparency, accountability, ethics and equity with management flexibility, empowerment and responsiveness in the interest of shareholders, customers, employees, business associates and the society at large.

Gati's corporate governance framework is based on the following main principles:

- Appropriate composition and size of the Board;
- Timely flow of information to the members of the Board and Board Committees;
- Well developed systems and processes for risk management and financial reporting;
- Timely and accurate disclosure of all material operational and financial information.

Board of Directors

A majority of the Board, 6 out of 9, are Independent Directors. The Board's actions and decisions are aligned with the Company's best interests. It is committed to the goal of sustainably elevating the Company's value creation. The Board critically evaluates the Company's strategic direction, management policies and their effectiveness.

As on March 31, 2015, the Board of Gati has 9 Directors, comprising (i) 6 Independent Directors, including the Chairman & 1 Woman Director (ii) 2 Executive Directors (iii) 1 Nominee Director. The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges.

Name	Designation	Board meetings	Committees			
			Audit	Stakeholder Relationship	Nomination & Remuneration	Corporate Social Responsibility
Mr. K L Chugh	Independent Director - Chairman	Chairman	---	---	Member	---
Mr. Mahendra Agarwal	Promoter, Founder & CEO	Managing Director	---	Member	---	---
Mr. N. Srinivasan	Independent Director	Member	Chairman	---	---	---
Dr. P.S. Reddy	Independent Director	Member	Member	---	Chairman	Member
Mr. Sunil Alagh	Independent Director	Member	---	Chairman	---	---
Mr. Yoshinobu Mitsuhashi	Nominee Director	Member	---	---	---	---
Mr. Sanjeev Jain	Director - Finance	Member	---	---	---	Member
Mr. P N Shukla	Independent Director	Member	Member	---	Member	---
Ms. Sheela Bhide	Independent Director	Member	---	---	---	Chairman

Each Director informs the Company on an annual basis about the Board and Board Committee positions they occupy in other companies including Chairmanships and notifies changes during the term of their directorship in the Company. None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the public companies in which they are Directors. Other directorships do not include alternate directorships and companies incorporated outside India. Chairmanships / Memberships of Board Committees include only Audit and Stakeholders Relationship Committees.

The number of other directorships, committee chairmanships/memberships held in other companies by each of the Directors is tabled below:

Name	No. of other Directorships and Committee Membership / Chairmanship		
	Other Directorships	Committee	
		Membership	Chairmanship
Mr. K L Chugh	5	-	-
Mr. Mahendra Agarwal	9	-	-
Mr. N. Srinivasan	11	4	4
Dr. P.S. Reddy	2	-	-
Mr. Sunil Alagh	4	4	-
Mr. Yoshinobu Mitsuhashi	1	-	-
Mr. Sanjeev Jain	1	-	-
Mr. P N Shukla	2	1	-
Ms. Sheela Bhide	6	1	2

Meetings of the Board

The Board of Directors must meet at least four times a year, with a maximum time gap of 120 days between two Board meetings. During the financial year 2014-15, the Board met six times: on May 6, 2014, June 20, 2014, August 6, 2014, October 29, 2014, December 5, 2014 and January 24, 2015. The necessary quorum was present at all the meetings. Video/tele-conferencing facilities were also used to facilitate Directors travelling abroad or at other locations to participate in the meetings. The proceedings of the meetings held through Video Conferencing are duly recorded by the Company.

The below table gives the composition of the Board, their attendance at the board meetings held during the year and at the previous Annual General Meeting held on August 5, 2014.

Name	Category and Designation	Attendance particulars	
		Board meetings	Last AGM
Mr. K L Chugh	Independent Director - Chairman	6	Yes
Mr. Mahendra Agarwal	Promoter, Founder & CEO	6	Yes
Mr. N. Srinivasan	Independent Director	6	Yes
Dr. P.S. Reddy	Independent Director	4	Yes
Mr. Sunil Alagh	Independent Director	6	Yes
Mr. Yoshinobu Mitsuhashi	Nominee Director	6	Yes
Mr. Sanjeev Jain	Director - Finance	6	Yes
Mr. P.N. Shukla	Independent Director	6	Yes
Ms. Sheela Bhide	Independent Director	3	NA*

*Ms. Sheela Bhide was appointed as an Additional Director in the category of Independent Director w.e.f August 06, 2014.

Information given to the Board:

The Company provides the following information to the Board and the Board Committees. Such information is submitted either as part of the agenda papers in advance of the meetings or by way of presentations and discussion materials during the meetings.

- Annual operating plans and budgets, capital budgets, updates and all variances
- Quarterly, Half yearly and Annual results of the Company and its subsidiaries
- Detailed presentations on the business performance of the Company and its material subsidiaries
- Minutes of meetings of the Audit Committee and other Committees
- Contract in which Directors are interested

- Update on the significant legal cases of the Company
- Subsidiary companies minutes, financial statements and significant investments

Code of Conduct

The Company has adopted a code of conduct for all Board Members and Designated Senior Management of the Company. The duties of Independent Directors as laid down in the Companies Act, 2013 are incorporated in the Code of Conduct. The Code of Conduct is available on the website of the Company www.gati.com. All Board members and senior management personnel have affirmed compliance with the code of conduct. A declaration signed by the Managing Director to this effect is annexed at the end of this report.

Separate meetings of the Independent Directors

During the year under review, the Independent Directors met on December 6, 2014, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the Performance of the Chairman of the company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

Committees of the Board

The Board Committees focus on specific areas and make informed decisions within the authority delegated. Each such Committee is guided by its Charter, which defines the composition, scope and powers. The Committees also make specific recommendations to the Board on various matters whenever required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval.

The Company has four Board-level Committees, namely:

1. Audit Committee
2. Nomination & Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee

Audit Committee

The management is responsible for the Company's internal controls and the financial reporting process while the statutory auditors are responsible for performing independent audits of the Company's financial statements in accordance with generally accepted auditing practices and for issuing reports based on such audits. The Board of Directors has constituted and entrusted the Audit Committee with the responsibility to supervise these processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting. The constitution of the Audit Committee also meets with the requirements of Section 177 of the Companies Act, 2013 and Listing Agreements entered into with the Stock Exchanges.

The primary responsibilities of the Audit Committee are to:

1. Supervise the financial reporting process;
2. Review the quarterly and annual financial results before placing them to the Board along with related disclosures and filing requirements;
3. Review the adequacy of internal controls in the Company, including the plan, scope and performance of the internal audit function and remuneration of the Chief Internal Auditor;
4. Discuss with management, the Company's major policies with respect to risk assessment and risk management;
5. Hold discussions with statutory auditors on the nature and scope of audits and any views that they have about the financial control and reporting processes;
6. Ensure compliance with accounting standards and with listing requirements with respect to the financial statements;
7. Recommend the appointment and removal of statutory auditors and their fees;
8. Ensure that adequate safeguards have been taken for legal compliance for the Company;
9. Review related party transactions.

The Audit Committee entirely comprises of Independent Directors. All members of the Audit Committee are financially literate and bring in expertise in the fields of finance, economics, strategy and management.

During the financial year 2014-15, the Audit Committee met five times viz., on May 6, 2014, August 6, 2014, October 29, 2014, January 14, 2015 and January 24, 2015. The below table gives the composition and attendance record of the Audit Committee.

S. No	Name	Position	Number of meetings during the year 2014-15	
			Held	Attended
1	Mr. N. Srinivasan	Chairman	5	5
2	Mr. P.N. Shukla	Member	5	5
3	Dr. P.S. Reddy	Member	5	4

The Audit Committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the Statutory Auditors and representatives of the Internal Auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.

Mr. N Srinivasan, Chairman of the Audit Committee has attended the previous Annual General Meeting held on August 5, 2014.

Nomination & Remuneration Committee:

The Board has constituted Nomination & Remuneration Committee consisting of 3 Independent Directors. The terms of reference of the Committee cover evaluation of compensation and benefits for Executive Director(s), Non-Executive Director(s), KMP, framing of policies and systems of the Employee Stock Option Scheme and looking after the issues relating to major HR policies.

During the financial year 2014-15, the Committee met three times viz., on May 6, 2014, August 6, 2014 and December 5, 2014. The below table gives the composition and attendance record of the Nomination & Remuneration Committee.

S. No	Name	Position	Number of meetings during the year 2014-15	
			Held	Attended
1	Dr. P.S. Reddy	Chairman	3	2
2	Mr. K.L. Chugh	Member	3	3
3	Mr. P.N. Shukla	Member	3	3

Remuneration policy:

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and their remuneration. This Policy is accordingly derived from the said Charter.

1. Criteria Of Selection Of Non-Executive Directors

- a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the criteria of independence of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
 - a) Qualification, expertise and experience of the Directors in their respective fields;
 - b) Personal, Professional or business standing;
 - c) Diversity of the Board.
- e. In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

2. Remuneration

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission as detailed hereunder:

- i. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;

- ii. A Non-Executive Director will also be entitled to receive commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the N&R Committee;
- iii. The N&R Committee may recommend to the Board, the payment of commission on uniform basis, to reinforce the principles of collective responsibility of the Board.
- iv. The N&R Committee may recommend a higher commission for the Chairman of the Board of Directors, taking into consideration his overall responsibility;
- v. In determining the quantum of commission payable to the Directors, the N&R Committee shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director.
- vi. The N&R Committee may recommend to the Board, for the payment of additional commission to those Directors who are Members on the Audit Committee of the Board subject to a ceiling on the total commission payable as may be decided;
- vii. In addition to the remuneration paid under Clause (ii) and (vi) above, the Chairman of the Audit Committee shall be paid an additional commission, as may be recommended to the Board by the N&R Committee;
- viii. The total commission payable to the Directors shall not exceed 1% of the net profit of the Company;
- ix. The commission shall be payable on prorata basis to those Directors who occupy office for part of the year.
- x. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

3. Criteria for selection/appointment of CEO & Managing Director

For the purpose of selection of the CEO & MD, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

4. Remuneration for the CEO & Managing Director

- i. At the time of appointment or re-appointment, the CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the CEO & Managing Director within the overall limits prescribed under the Companies Act, 2013.
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii. The remuneration of the CEO & Managing Director is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retrial benefits. The variable component comprises performance bonus.

- iv. In determining the remuneration (including the fixed increment and performance bonus) the N&R Committee shall ensure / consider the following:
- the relationship of remuneration and performance benchmarks is clear;
 - balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
 - responsibility required to be shouldered by the CEO & Managing Director, the industry benchmarks and the current trends;
 - the Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs.

5. Remuneration Policy for the Senior Management Employees

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the N&R Committee shall ensure / consider the following:

- the relationship of remuneration and performance benchmark is clear;
- the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
- the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;
- the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.

The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned hereinabove, whilst recommending the annual increment and performance incentive to the N&R Committee for its review and approval.

Directors Remuneration

The remuneration paid/payable to the Executive Directors is given below:

a) Executive Director: - (Rs. in Mn)

Particulars	Mr. Sanjeev Jain
Salary & allowances	6.01
PF contribution /Superannuation funds	0.62
Rent Free Accommodation / Perks / incentives	1.08
TOTAL	7.71

Stock options (No.): 1,50,000 Notice period : 3 months

b) Non-Executive Directors: -

The Sitting fee and commission payable to the Non-Executive Directors during the year under review is in conformity with the applicable provisions of the Companies Act, 2013 and duly considered and approved by the Board and the shareholders.

The details of sitting fee paid to the Non-Executive Directors during the financial year 2014-15 and, proposed commission, stock options granted, accepted & outstanding are as follows:

Name	Sitting fee (Rs.)	Commission (Rs.)	Stock options * (Nos.)	Equity Shares (Nos.)
Mr. K.L. Chugh	2,80,000	5,00,000	52,500	22,500
Mr. N. Srinivasan	4,10,000	3,50,000	52,500	36,500
Dr. P.S. Reddy	3,40,000	2,50,000	52,500	37,500
Mr. Sunil Alagh	3,00,000	2,50,000	52,500	77,500
Mr. P.N. Shukla	4,10,000	2,50,000	14,000	6,000
Ms. Sheela Bhide	1,70,000	2,50,000	--	--
Mr. Yoshinobu Mitsuhashi	--	2,50,000	--	--
TOTAL	19,10,000	21,00,000	2,24,000	1,80,000

*Stock options granted, accepted and outstanding as on 31.03.2015

Commission for the financial period 2014-15 will be paid to the Directors after adoption of accounts by the shareholders at the ensuing Annual General Meeting.

Other than above, there were no pecuniary relationships or transactions with the non-executive director's vis-à-vis the company.

Stakeholders Relationship Committee (Previously Investors' Grievance Committee):

The Stakeholders Relationship Committee is empowered to perform the functions of the Board relating to handling of stakeholders' queries and grievances. It primarily focuses on:

- Review of investor complaints and their redressal;
- Review the performance of the share transfer agent;
- Review of corporate actions related to shareholder issues;
- Review of stakeholders' queries & grievances.

The Committee consists of two Directors, Mr. Sunil Kumar Alagh, Chairman & Mr. Mahendra Agarwal, Member. During the financial year 2014-15, the Stakeholders' Relationship Committee met once viz., on October 29, 2014 and all the members were present for the meeting.

Mr. VSN Raju, Company Secretary of the Company, officiates as secretary of the Committee and is also designated as Compliance Officer in terms of the Listing Agreement entered into with the Stock Exchanges.

In order to expedite the process of share transfers, the Board has delegated the powers to officers of the Company. The delegated authority attends to share transfer formalities at least once a fortnight, as required.

An analysis of the investor complaints received and redressed during the financial year 2014-15 is given below:

S. No.	Nature of Complaint	Received	Disposed	Pending
1	Non receipt of dividend warrants	14	14	NIL
2	Non receipt of Annual Report	2	2	NIL

Name, designation and address of Compliance Officer:

Mr.VSN. Raju
 Company Secretary and
 Chief Investor Relations & Compliance Officer
 Plot no.20, Survey no.12
 Kothaguda, Kondapur,
 Hyderabad – 500 084
 Tel: +91 040 7120 4284, Fax: +91 040 2311 2318
 Email: investor.services@gati.com

General Body Meetings
(a) Annual General Meeting:

Date of AGM	Time	Venue	No. of Special resolutions passed
August 5, 2014	11.00 A.M	Hotel Novotel Hyderabad Convention Centre, Novotel & HICC Complex, Cyberabad post office, Hyderabad - 81.	6
November 6, 2013	10.30 A.M	Hotel Radison BLU, 8-2-409, Road No.6, Banjara hills, Hyderabad – 500034	1
October 19, 2012	10.30 A.M	Hotel Radison BLU, 8-2-409, Road No.6, Banjara hills, Hyderabad – 500034	2

(b) Extraordinary General Meeting:

During the year, an Extraordinary General Meeting of the Company was held on March 20, 2015 for offer / issue of securities.

Postal Ballot:

During the year, the Company has not transacted any business through postal ballot.

Subsidiary Companies:

The Board of Directors has reviewed the financial statements and minutes of the board meetings of Gati-Kintetsu Express Private Limited (Gati-KWE), the materially unlisted subsidiary company. Ms. Sheela Bhide, Independent Director of the Company is also on the Board of Gati-KWE.

Disclosures

- There are no materially significant related party transactions that may have potential conflict with the interest of the Company at large. However, the other related party transactions form part of the financial statements.
- Except as specified below there were no non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

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 accorded permission while stating that the Company was not eligible borrower under the automatic route and the borrowing be treated as a Foreign Debt. The Company was levied a compounding fee of Rs. 29.59 mn which the Company has since deposited during the year and is disclosed as an exceptional item in the Statement of Profit and Loss.

The company is awaiting clarification from the Reserve Bank of India on various matters pertaining to FCCB issued by the company. In the meanwhile the trustee of the bond holders has filed a civil suit in the Secunderabad Court for specific performance, which the company is contesting. The matter is subjudice.

(iii) Whistle blower policy

The company has put in place a mechanism of reporting illegal or unethical behaviour. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor/notified persons. The reports received from any employee will be reviewed by the audit committee. The Directors and senior management are to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practice.

The Company affirms that no personnel have been denied access to the audit committee during the financial year 2014-15.

- The Company has complied with all mandatory requirements of Clause 49 of the listing agreement.

The Company is preparing its financial statements in line with the accounting standards issued by the Institute of Chartered Accountants of India and the company has not raised any fresh funds from the public or through Right or Preferential Issue.

CEO and CFO Certification:

The Chief Executive Officer and the Chief Financial Officer of the Company give certification on financial reporting and internal controls to the Board as required under Clause 49(IX) of the Listing Agreement.

Means of Communication

The quarterly & half-yearly un-audited financial results and annual audited results of the Company were generally published in Business Standard / Financial Express, national level English newspaper(s) as well as Andhra Prabha, regional language newspaper circulating in the state of Telangana. The results are also displayed on the Company's website "www.gati.com". Official news releases, detailed presentations made to media, analysts, institutional investors, etc are displayed on the company's website www.gati.com and also sent to stock exchanges.

NSE Electronic Application Processing System (NEAPS):

The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, among others are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):

BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, among others are also filed electronically on the Listing Centre.

E-voting

Pursuant to the requirements of the Companies Act, 2013 and the Listing Agreement, company is providing e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at the General Meetings.

Non-Mandatory Requirements

Audit qualification

The Company is in the regime of unqualified financial statements.

Separate posts of Chairman and CEO

Mr. K L Chugh is Non-Executive Independent Director & Chairman and Mr. Mahendra Agarwal is the Managing Director & CEO of the company.

Reporting of Internal Auditor

The Internal Auditor directly reports to the Audit Committee.

General Shareholders' Information

Annual General Meeting:

Date: July 30, 2015

Time: 11.00 a.m

Venue: Hotel Novotel, Hyderabad Convention Centre, Novotel & HICC Complex, Cyberabad post office, Hyderabad - 81.

Financial Year:

The financial year of the company is from 1st April to 31st March of the next year.

Book Closure dates: The dates for book closure are from July 23, 2015 to July 30, 2015 (both days inclusive) for the purpose of payment of dividend.

Dividend

The Board of Directors has proposed a dividend of Rs. 0.80 per share (40%) on equity shares of Rs. 2/- each. The Dividend if declared by the shareholders at the 20th Annual General Meeting scheduled to be held on July 30, 2015, will be paid within stipulated time i.e. 30 days from the date of declaration.

Unclaimed dividend

The shareholders and other stakeholders are hereby informed that pursuant to the provisions of Section 205A(5) of the Companies Act, 1956 all dividends remaining unpaid / unclaimed for a period of seven years from the date they became due for payment will have to be transferred to the Investors' Education and Protection Fund (IEPF) set up by the Central Government. The details of outstanding dividend accounts are given below.

Sl. No	Dividend for the year	Dividend %	Date of declaration	Due date for transfer
1	2007-08 : Final	40	22.10.2008	21.11.2015
2	2009-10 : Final	20	27.10.2010	26.11.2017
3	2010-11 : Final	25	16.11.2011	15.12.2018
4	2011-12 : Interim	30	29.06.2012	28.07.2019
5	2011-12 : Final	25	19.10.2012	18.11.2019
6	2012-13 : Final	30	06.11.2013	05.12.2020
7	2013-14 : Final	35	05.08.2014	04.09.2021
8	2014-15: Interim	30	05.12.2014	04.01.2022

Listing on Stock Exchanges

The Company's shares are listed on BSE Limited, Mumbai and the National Stock Exchange of India Limited, Mumbai. The FCCBs bonds are listed with Singapore Stock Exchange Limited (SGX-ST).

The listing fee for the year 2015-16 has been paid to all the above stock exchanges.

Stock Code:

- a) Trading scrip code on Bombay Stock Exchange : 532345
 b) Trading scrip code on National Stock Exchange : GATI

International Securities Identification Number (ISIN):

ISIN is a unique identification number of traded scrip. The Company's ISIN for equity shares is INE152B01027.

Monthly high / low stock quotations at BSE & NSE

(Amount in Rs.)

Month	NSE		BSE	
	High	Low	High	Low
Apr-2014	94.40	80.00	94.20	80.00
May-2014	124.50	81.00	124.70	81.00
Jun-2014	136.30	112.00	136.40	112.40
Jul-2014	126.00	102.00	125.75	101.65
Aug-2014	149.60	114.50	150.00	114.00
Sep-2014	206.40	142.00	206.00	140.00
Oct-2014	212.65	170.40	212.50	170.50
Nov-2014	342.00	196.00	341.60	195.75
Dec-2014	288.40	217.00	288.40	217.00
Jan-2015	304.90	246.45	304.90	247.00
Feb-2015	263.90	220.10	264.10	220.50
Mar-2015	251.70	195.55	251.70	195.30

Share price performance in comparison to broad based indices - BSE Sensex

Particulars	Gati share price v/s NSE		Gati share price v/s BSE	
	Share price (Rs.)	NSE Nifty	Share price (Rs.)	BSE Sensex
As on April 1, 2014	80.50	6730	81.00	22455
As on March 31, 2015	216.55	8491	216.05	27957
Change (%)	169	26	167	24

Total equity as on March 31, 2015 was 8,74,77,537 (previous year 8,72,64,087) equity shares of Rs.2/- each.

Share Transfer System

All queries and requests relating to share/debenture transfers/transmissions may be addressed to our Registrar and Transfer Agent:

Karvy Computershare Private Limited

(Unit: Gati Limited)

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31-32, Gachibowli

Financial District, Nanakramguda,

Hyderabad – 500 032

Tel. No: 040 6716 2222, Fax No. : 040 - 2300 1153,

Toll Free No. : 1800 345 4001

E-mail: mohsin.mohd@karvy.com

Share transfers, if documents are found to be in order, are registered and returned in the normal course within two weeks from the date of receipt of the documents.

Dematerialization of Shares

The Company's scrip forms part of the compulsory dematerialization segment for all investors with effect from August 28, 2000. To facilitate easy access of the dematerialized system to the investors, the Company has signed up with both the depositories namely the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and has established connectivity with the depositories through its Registrar and Transfer Agent, Karvy Computershare Private Limited.

98% of the total shares have been dematerialized upto March 31, 2015. Dematerialization of shares is done through Karvy Computershare Private Limited and on an average the dematerialization process is completed within 7 days from the date of receipt of a valid dematerialization request along with the relevant documents.

Particulars	Shares on March 31, 2015	%
Physical Shares	15,54,898	1.78
NSDL	7,62,62,437	87.18
CDSL	96,60,202	11.04
Total	8,74,77,537	100.00

Secretarial Audit

As stipulated by SEBI, a Qualified Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized form and in physical form.

Distribution Schedule as on March 31, 2015:

No. of shares		No. of Shareholders	% of total Shareholders	No. of shares	% to Total Capital
Upto	5000	60,800	98.18	1,12,53,680	12.86
5001	10,000	538	0.87	19,91,968	2.28
10,001	20,000	260	0.42	19,42,868	2.22
20,001	30,000	94	0.15	11,74,524	1.34
30,001	40,000	49	0.08	8,82,534	1.01
40,001	50,000	26	0.04	6,02,602	0.69
50,001	1,00,000	78	0.13	28,01,455	3.20
1,00,001	And above	84	0.14	6,68,27,906	76.39
Total		61,929	100.00	8,74,77,537	100.00

Distribution of Shareholding on the basis of ownership

Sl. No	Description	No. of shares as on March 31, 2015	% Equity
1	Company Promoter / Promoter group	3,61,28,601	41.30
2	Foreign Institutional Investors	1,24,93,250	14.28
3	Banks / Mutual Funds	4,42,855	0.51
4	Bodies Corporate	52,77,108	6.03
5	Individuals / HUF	2,97,31,461	33.99
6	Non Resident Indians	34,04,262	3.89
	TOTAL	8,74,77,537	100.00

Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity

The Company allotted FCCBs amounting to USD 22.182 Million FCCBs in December 2011. FCCBs amounting to USD 22.182 Million are outstanding as on the date of this report.

In response to the Company's application to Reserve Bank of India (RBI) seeking permission for part repurchase of FCCBs, RBI vide its letter dated September 27, 2013 accorded permission while stating that the Company was not eligible borrower under the automatic route and the borrowing be treated as a Foreign Debt. The Company was levied a compounding fee of Rs. 29.59 Mn, which the Company has since deposited during the year and is disclosed as an exceptional item in the Statement of Profit and Loss.

The Company is awaiting clarification from the Reserve Bank of India on various matters pertaining to FCCB issued by the Company. In the meanwhile the trustee of the bond holders has filed a civil suit in the Secunderabad Court for specific performance, which the Company is contesting on various grounds. The matter is subjudice.

Plant location - None

Investor Correspondence

For queries relating to shares:

Karvy Computershare Pvt. Ltd.
(Unit Gati Limited)
Karvy Selenium Tower B
Plot 31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad – 500 032
Tel. No: 040 6716 2222, Fax No.: 040 - 2300 1153,
Toll Free No. : 1800 345 4001
E-mail: mohsin.mohd@karvy.com

For queries relating to Financial Statements and other contents of Annual Report:

Gati Limited
Corporate Compliance Department
Plot no.20, Survey no.12
Kothaguda, Kondapur
Hyderabad – 500 084.
Tel: +91 040 7120 4284
Fax: +91 040 2311 2318
Email: investor.services@gati.com

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Gati Limited,

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Stock Exchanges of India, for the financial year ended 31st March 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For dvmgopal & associates
Company Secretaries

Place: Hyderabad
Date: April 28, 2015

dvm gopal
Proprietor
CP no. 6798
FCS no. 6280

Declaration

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for Board of Directors and Senior Management for the year ended March 31, 2015.

for GATI LIMITED

Place: Hyderabad
Date: April 28, 2015

Mahendra Agarwal
Founder & CEO
DIN: 00179779